



U. S. and Canadian Locks at Sault Ste. Marie

Annual Report

BOARDS

mrb

65210973

9m 66 63/2

1 9 5 4

Minneapolis, St. Paul & Sault Ste. Marie Railroad Company

COVER PICTURE

This is a fascinating picture of the Billion Dollar Mile separating the United States and Canada at Sault Ste. Marie.

The four locks on the American side of St. Mary's River are in the foreground with a boat heading down river toward Lake Huron. The Canadian Lock can be seen to the right with a boat heading into Lake Superior. The steel mills of Sault Ste. Marie, Ontario, also can be seen upper right.

This year (1955) the twin Soo's at the east end of Lake Superior are celebrating the Centennial of the Soo Locks. In 1855 the first artificial link to make possible the passage of boats between Lake Superior and the lower lakes was built. The builders constructed a canal 5700 feet long with two locks, at a cost of \$999,802.46 and received in payment 750,000 acres of Northern Michigan land that had been granted by Congress to the State of Michigan in 1852 for the express purpose of paying contractors for building the canal. The land later repaid the builders a thousandfold.

The canal was taken over by the U. S. Government in 1882 and has since been under the Army's Corps of Engineers.

Today the locks at the Soo will, in eight months of a year because the Soo is icebound for four months, handle four times the annual tonnage passing through the Suez Canal and three times that of the Panama.

Sault Ste. Marie was the objective point of first construction (1884-1887) of the Minneapolis, St. Paul and Sault Ste. Marie R. R. Phonetically S-A-U-L-T is sounded SOO, hence the trade name "Soo Line Railroad."

ANNUAL REPORT

of the

**Minneapolis, St. Paul & Sault Ste. Marie
Railroad Company**

**FOR THE YEAR ENDED
DECEMBER 31**

1 9 5 4



DIRECTORS

- JOHN E. BLUNT.....Chicago, Illinois
*Formerly Vice President, Continental Illinois National
 Bank and Trust Company of Chicago*
- *PAUL V. EAMES.....Minneapolis, Minn.
Chairman of the Board, McCloud Lumber Company
- *MILTON W. GRIGGS.....St. Paul, Minn.
President, Griggs, Cooper and Company
- FRANK T. HEFFELFINGER.....Minneapolis, Minn.
Chairman of the Board, F. H. Peavey & Company
- W. L. HUFF.....Minneapolis, Minn.
Director, Minneapolis-Honeywell Regulator Company
- *CLIVE T. JAFFRAY.....Minneapolis, Minn.
Formerly Chairman, M. St. P. & S. S. M. Railway Company
- *HENRY S. KINGMAN.....Minneapolis, Minn.
President, Farmers and Mechanics Savings Bank of Minneapolis
- HENRY LALIBERTE.....Duluth, Minn.
President, Cutler Magner Company
- *G. ALLAN MACNAMARA.....Minneapolis, Minn.
President, M. St. P. & S. S. M. Railroad Company
- W. A. MATHER.....Montreal, Quebec
President, Canadian Pacific Railway Company
- HOWARD I. McMILLAN.....Minneapolis, Minn.
President, Osborne-McMillan Elevator Company
- GORDON MURRAY.....Minneapolis, Minn.
President, First National Bank of Minneapolis
- COLA G. PARKER.....Neenah, Wisconsin
Chairman of the Board, Kimberly-Clark Corporation
- JOHN S. PILLSBURY.....Minneapolis, Minn.
Honorary Chairman of the Board, Pillsbury Mills, Inc.
- H. H. WESTLIE.....Minot, N. D.
President, Westlie Motor Company

*Member of Executive Committee

GENERAL OFFICES
FIRST NATIONAL-SOO LINE BUILDING
MINNEAPOLIS 2, MINNESOTA

OFFICERS

PRESIDENT.....G. A. MacNAMARA
VICE PRESIDENT.....C. S. POPE
VICE PRESIDENT AND GENERAL MANAGER.....R. L. SIMPSON
VICE PRESIDENT—TRAFFIC.....W. W. KREMER
GENERAL COUNSEL.....F. W. CROUCH
EXECUTIVE ASSISTANT AND SECRETARY.....J. D. BOND
COMPTROLLER.....M. I. LABELLE
INDUSTRIAL AND REAL ESTATE COMMISSIONER.....G. T. BERGREN
TREASURER.....G. C. STROMBERG
ASSISTANT TREASURER.....W. LEICESTER
ASSISTANT SECRETARY.....C. H. JUETTNER

ab

TRANSFER AND FISCAL AGENTS



FIRST MORTGAGE BONDS

TRANSFER AGENTS:

THE NORTHERN TRUST COMPANY
50 S. La Salle Street.....Chicago 90, Ill.

BANK OF MONTREAL TRUST COMPANY
64 Wall Street.....New York 5, N. Y.

FISCAL AGENTS:

THE NORTHERN TRUST COMPANY
50 S. La Salle Street.....Chicago 90, Ill.

AGENCY, BANK OF MONTREAL
64 Wall Street.....New York 5, N. Y.

GENERAL MORTGAGE BONDS

TRANSFER AND FISCAL AGENTS:

HARRIS TRUST AND SAVINGS BANK
115 W. Monroe Street.....Chicago 90, Ill.

THE HANOVER BANK
70 Broadway.....New York 15, N. Y.

COMMON SHARES

TRANSFER AND PAYING AGENT:

THE BANK OF NEW YORK
48 Wall Street.....New York 15, N. Y.

REGISTRAR:

THE HANOVER BANK
70 Broadway.....New York 15, N. Y.



ANNUAL SHAREHOLDERS MEETING

Third Tuesday in May at Minneapolis, Minn.

SUMMARY

	1954	1953	Increase or Decrease	%
TOTAL OPERATING REVENUES.....	\$ 39,189,611	\$ 39,706,940	\$ 517,329	1.30
TOTAL OPERATING EXPENSES.....	\$ 33,455,323	\$ 35,412,225	\$1,956,902	5.53
% of Total Operating Revenues.....	85.37	89.18	3.81	.....
WAGES AND PAYROLL TAXES.....	\$ 22,096,249	\$ 23,391,692	\$1,295,443	5.54
% of Total Operating Revenues.....	56.38	58.91	2.53	.....
TAXES (OTHER THAN PAYROLL TAXES).....	\$ 1,794,926	\$ 1,473,873	\$ 321,053	21.78
% of Total Revenues.....	4.58	3.71	.87	.....
INCOME AVAILABLE FOR FIXED AND CONTINGENT CHARGES.....	\$ 2,678,624	\$ 1,583,400	\$1,095,224	69.17
FIXED AND CONTINGENT CHARGES.....	\$ 1,086,270	\$ 1,078,584	\$ 7,686	.71
Times earned—				
First Mortgage Interest.....	9.0	5.1	.....	.....
General Mortgage Interest.....	4.0	2.1	.....	.....
General Mortgage Sinking Fund.....	16.8	6.0	.....	.....
NET INCOME.....	\$ 1,592,354	\$ 504,816	\$1,087,538	215.43
Per share.....	\$ 2.21	\$.70	\$ 1.51	215.43
Per dollar of Total Operating Revenue.....	3.7c	1.2c	2.5c	208.33
INVESTMENT IN ROAD AND EQUIPMENT.....	\$157,124,345	\$150,102,207	\$7,022,138	4.68
RATE OF RETURN OF NET RAILWAY OPERATING INCOME ON NET INVESTMENT USED FOR TRANS- PORTATION PURPOSES.....	1.89%	1.15%	.74%	.....
LONG TERM DEBT.....	\$ 30,735,776	\$ 24,775,588	\$5,960,188	24.06
WORKING CAPITAL.....	\$ 8,208,054	\$ 7,335,931	\$ 872,123	11.89
Ratio of Current Assets to Current Liabilities.....	1.89:1	1.80:1	.....	.....
FREIGHT—Carloads.....	255,825	277,320	21,495	7.75
Tons.....	9,302,170	10,317,906	1,015,736	9.84
Ton miles.....	2,549,629,233	2,507,910,065	41,719,168	1.66
REVENUE PER NET TON MILE.....	1.41c	1.44c	.03c	2.08
NUMBER OF PASSENGERS.....	178,342	209,042	30,700	14.69
REVENUE PER PASSENGER MILE.....	1.89c	1.89c	.....	.....

TO THE SHAREHOLDERS:

It is gratifying to report that the year 1954 was a successful one for your company as compared with results for the previous year as well as with results shown by most other railroads in the country.

The railroad industry generally suffered reverses in its gross revenues and your company was no exception in this respect, gross revenues declining from \$39,706,940 in 1953 to \$39,189,611 in 1954, a reduction of \$517,329. However, by economizing wherever possible, consistent with safe operating standards, expenses were held to a minimum and in contrast to the decrease in gross revenues, Net Income increased from \$504,816 in 1953 to \$1,592,354 in 1954, or an increase of \$1,087,538.

The negotiations of wage contracts on a national basis referred to in the report for the year 1953 were concluded in 1954. The estimated annual increased cost to your company for additional benefits that were effective during all or a part of 1954 will amount to approximately \$680,000. This amount includes the cost of third week vacations granted to long-service employees in both the operating and non-operating groups; an increase of five cents per hour to operating employees and payment to non-operating employees for seven specified holidays. Also a part of the settlement with the non-operating employees was an agreement to contribute \$3.40 per month for each eligible employee toward the cost of hospital, medical and surgical insurance which will cost your company about \$160,000 annually. Additional demands for wage adjustments have been served on the railroads by the operating employees, with respect to which no settlement has been reached.

In September the Directors concluded that it was to the best interests of the company to acquire additional Diesel-electric locomotives to practically complete the dieselization of the railroad. The savings realized from these additional Diesel-electric locomotives will be available to offset at least in part the continuing rise in wage costs as well as to provide for

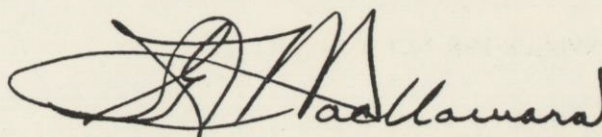
more efficient operations. All of these additional Diesel-electric locomotives have been received with the entire cost thereof being financed by Conditional Sale Agreements at an annual average interest rate of approximately 3.31%. Equipment Trust certificates were also issued during the year in the amount of \$1,950,000 to finance 80% of the cost of 400 box cars, the construction of which was completed in January 1955.

The Soo Line being a granger railroad with such a large proportion of its revenues dependent on the grain crop in the territory served by it with the subsequent movement of that crop to terminal markets, predictions as to revenues and net income cannot be accurately made too far in advance. As far as can be determined at this time, the grain crop prospects for 1955 are quite favorable.

In consideration of the 1953 earnings, dividends totaling 50c per share were paid during the past year. At a meeting held February 25, 1955, the Board of Directors in consideration of 1954 earnings declared a dividend of 50c per share payable on March 31, 1955. It is the intention of the Board of Directors to give the matter of dividends consideration in February of each year when the results for the previous year are known, acting conservatively in the best interests of the company at that time, and to give additional dividend consideration in September of each year at which time the effect of the current year's conditions on the financial position of the company would be known.

It is with sincere pleasure that I extend the appreciation of the Board of Directors to the entire personnel of the company for their cooperation and conscientious efforts.

FOR THE BOARD OF DIRECTORS,

A handwritten signature in dark ink, appearing to read "J. H. Callaway", written over a horizontal line.

President.

Minneapolis, Minn.
March 31, 1955.

CONDENSED INCOME ACCOUNT

	1954	1953	1952	1951	1950
INCOME RECEIVED					
Operating revenues:					
Freight.....	\$35,996,252	\$36,222,328	\$38,547,804	\$37,995,600	\$34,742,710
Passenger.....	978,930	1,060,360	1,105,735	1,015,338	1,063,331
Mail.....	1,188,448	1,168,797	1,204,538	1,289,354	1,425,608
All other.....	1,025,981	1,255,455	1,312,148	1,185,483	1,138,329
Total.....	39,189,611	39,706,940	42,170,225	41,485,775	38,369,978
Other income.....	181,717	184,535	195,919	219,100	194,360
Total income received.....	39,371,328	39,891,475	42,366,144	41,704,875	38,564,338
EXPENSES AND CHARGES					
Operating expenses:					
Maintenance of way and structures.....	8,334,212	8,987,693	9,438,191	8,544,113	7,658,247
Maintenance of equipment.....	7,581,398	8,211,527	8,022,326	7,727,122	6,255,620
Traffic.....	958,651	936,211	906,152	887,936	809,678
Transportation.....	14,993,061	15,675,534	16,528,605	16,427,683	15,240,028
Miscellaneous operations.....	239,982	254,883	237,367	221,149	209,214
General.....	1,348,019	1,346,377	1,265,788	1,241,888	1,113,419
Total.....	33,455,323	35,412,225	36,398,429	35,049,891	31,286,206
Other operating charges:					
Railway tax accruals.....	3,019,210	2,722,538	3,599,268	3,221,236	4,065,316
Equipment rents—net.....	21,105	125,953	38,499	277,904	407,226
Joint facility rents.....	221,760	264,934	223,978	227,467	211,488
Total.....	3,219,865	2,861,519	3,861,745	3,726,607	4,684,030
Miscellaneous deductions from income.....	17,516	34,331	13,778	45,235	56,980
Fixed charges:					
Rent for leased road and equipment.....	1,685	1,685	1,685	1,685	1,685
Interest on equipment obligations.....	128,743	113,304	78,815	44,374	8,903
Interest on unfunded debt.....	391	524	3,063	745	9,447
Amortization of discount on funded debt.....	6,545	6,085	4,071	4,055	2,876
Total.....	137,364	121,598	87,634	50,859	22,911
Available for contingent charges.....	2,541,260	1,461,802	2,004,558	2,832,283	2,514,211
Contingent Charges:					
Interest on First Mortgage Bonds.....	283,909	283,909	283,909	283,909	283,909
Interest on General Mortgage Bonds.....	564,352	572,432	579,472	580,192	584,688
Sinking Fund—General Mortgage.....	100,645	100,645	100,645	100,645	100,645
Total.....	948,906	956,986	964,026	964,746	969,242
NET INCOME.....	\$ 1,592,354	\$ 504,816	\$ 1,040,532	\$ 1,867,537	\$ 1,544,969

Figures in Bold Face Denote Contra.

THE YEAR 1954 IN REVIEW

While gross operating revenues declined \$517,329 from \$39,706,940 in 1953 to \$39,189,611 in 1954, an upward trend in car loadings in the latter part of 1954 halted a decline that had started in 1953. Of this decrease in operating revenues \$226,076 was attributable to freight revenues and \$291,253 to other sources of income.

FREIGHT REVENUE

Total freight revenues for the year amounted to \$35,996,252, as compared with \$36,222,328 for 1953, a loss in revenues of \$226,076 or .62%.

There was an increase of \$2,132,551 in revenues from the movement of Products of Agriculture, receipts from this group of commodities totaling \$12,220,726 as compared with \$10,088,175 in 1953. While there was a slight increase from the movement of potatoes, the largest increase in revenues in this group was from grain shipments. Grain revenues amounted to \$10,542,104 in 1954 as compared with \$8,312,785 in 1953, a net gain of \$2,229,319, or 26.82%.

This increase in grain movement is attributable primarily to the shipment under the Government's Commodity Credit program of the large carryover of grain stored on farms and in country elevators at the beginning of the year, and shipments of a large crop of flaxseed. The estimated grain crop in 1954 of 52 million bushels was somewhat larger, although of lower quality, than that produced in 1953 in the Soo Line territory. Grain stored in country elevators and on farms at the end of the year 1954 of approximately 38 million bushels is in excess of the amount stored along the line at the beginning of the year, and provides a potential source of revenue in 1955.

The total revenue from Animals and Animal Products showed only a very slight decrease from the previous year, the income in 1954 being \$660,431 as compared with \$666,285 in 1953. A reduction of \$22,801 in proceeds from butter shipments, which declined from \$134,476 in 1953 to \$111,675 in 1954 because of a lesser movement under the Government's handling of surplus butter, was almost offset by an

increase of \$17,989 in revenues from the movement of cattle and calves, the revenue from which rose from \$155,713 in 1953 to \$173,702 in 1954.

Products of Mines produced \$4,158,630 in revenues in 1954 as against \$5,567,791 in 1953, a reduction of \$1,409,161. Of this amount \$783,785 was attributable to reductions in iron ore shipments, the revenue from which in 1954 was \$1,098,446 as compared with \$1,882,231 in 1953. The low iron ore shipments were caused by curtailed steel production, and the working-off of stockpiles of ore at lower lake ports. Because iron ore is not shipped during the winter except for a minor volume of all-rail movements, the upturn of business during the last quarter of 1954 was not felt in this commodity. Gravel and sand declined from \$1,079,333 in 1953 to \$474,813, a loss of \$604,520 in revenues, or 56%, principally because the Garrison (North Dakota) Dam and its related projects are nearing completion and the transportation of such materials to these projects has diminished. Revenues from bituminous coal decreased from \$711,158 in 1953 to \$693,953 in 1954, a loss of \$17,205.

Products of Forests continued to show a gain in revenues, the income from this source improving from \$5,254,144 in 1953 to \$5,821,275 in 1954, or an increase of \$567,131. While there were small offsetting fluctuations in various commodities in this group, Lumber, Shingles and Lath represented the largest gain, the revenues therefrom increasing from \$3,161,177 in 1953 to \$3,806,634 in 1954, or a net of \$645,457. This source of revenue was quite constant during the year and gained especially in the latter part of the year, mainly from lumber originating in Canada which was in high demand coincident with record building activity.

Revenues from Manufactures and Miscellaneous commodities declined from \$13,297,441 in 1953 to \$11,956,335 in 1954, a reduction of \$1,341,106.

The largest indicated losses in revenue in this category were in fuel and road oils, down from \$596,838 a year ago to \$485,781 in 1954, or \$111,057; cement, down from \$999,811 to \$727,254, or \$272,557, because

of reduced shipments to the Garrison Dam and losses of certain short haul traffic; and agricultural implements and parts, down from \$767,608 to \$463,386, or \$304,222, because of declining purchases on our western lines and in western Canada.

All Other commodities under this major classification show a decrease of \$942,284 in comparison with 1953. Most of this decrease can be attributed to the lower level of business in 1954 with consequent curtailment of purchases because of reduction in inventories, which is indicated by a reduction in the movement of scrap iron, the revenues therefrom decreasing approximately \$190,000, and a decrease in machinery and parts, with a net loss in revenues of approximately \$100,000. Automobiles and other motor vehicles produced approximately \$333,000 less revenue in 1954 than in 1953, mainly for the same reason.

Newsprint paper and woodpulp continued to move in good volume.

Manufactured iron and steel showed an increase of \$156,596, rising from \$704,761 in 1953 to \$861,357 in 1954 in spite of curtailed steel production primarily because of miscellaneous materials destined to the Garrison Dam. Iron and steel pipe again produced increased revenue, from \$858,450 in 1953 to \$1,048,982, a gain of \$190,532, mainly because of pipe line construction from the oil fields in Canada to the Head-of-the-Lakes. As these pipe lines are now completed, however, there will be a substantial decrease in revenues from this source in 1955 unless plans materialize in connection with other pipe lines that are now proposed for construction in Canada.

PASSENGER REVENUE

Passenger revenue continued to decline in 1954. Revenues from passengers amounted to \$978,930 in 1954 as compared with \$1,060,360 in 1953, a decrease of \$81,430. Other means of transportation continued to cut into the short trip ticket sales as evidenced by the fact that revenue per passenger rose from \$5.07 in 1953 to \$5.49 in 1954 and the miles individual revenue passengers were carried continued to increase. Reduction in passenger revenues is not peculiar to the Soo Line as revenues from passengers continued to decline on the nation's railroads as a whole.

MAIL REVENUE

Revenues from mail handled show an increase of \$19,651, rising from \$1,168,797 in 1953 to \$1,188,448 in 1954; however, mail volume in 1954 declined, and the indicated increase is due to an increase in mail rates granted on March 18, 1954, retroactive to October 1, 1953. The additional revenues produced by the increase in rates granted for the period October 1 to December 31, 1953, are reflected in the 1954 revenues.

Reductions in mail volume are partially due to the unfair "experimental" policy of the United States Post Office Department of diverting mail from the railroads to domestic scheduled air lines on a "space available" basis and the diversion of regular mail to trucks on a contract basis.

EXPRESS REVENUE

Express revenues followed the general downward trend of commodity traffic in 1954, decreasing from \$323,007 in 1953 to \$264,442 in 1954, or \$58,565.

OPERATING EXPENSES

The very discouraging revenue picture for the first part of the year demanded extreme economies in Operating Expenses. In spite of increased unit costs for wages and materials the results of the company's efforts in this direction were substantial. The total operating expenses for 1954 were reduced to \$33,455,323 as compared with \$35,412,225 in 1953, a reduction of \$1,956,902, or 5.53%.

Reduction in passenger train operations as mentioned in last year's report contributed to this decrease in operating expenses. The increased use of Diesel-electric locomotives and the curtailment of repairs to steam locomotives in anticipation of complete diesellization resulted in additional savings in repair costs to locomotives. The general economy program was a material factor in producing the favorable net income of the company for 1954.

Costs of Maintenance of Way and Structures were reduced in the amount of \$653,481. The relaying of track with new rail was limited to 24.85 miles as compared with 37.88 miles in 1953. Relays with heavier second-hand rail amounted to 19.33 miles of

track. A total of 369,052 ties were renewed, a reduction of approximately 41,000 from 1953 renewals. Roadway maintenance expense decreased from \$1,090,562 in 1953 to \$939,158 in 1954. The cost of ties was reduced from \$1,410,621 in 1953 to \$1,267,254 in 1954, and ballast from \$331,957 to \$188,961. The installation of ties in 1954 was at the lowest level in five years. Ballasting of track amounted to 29.16 miles as compared to 86.31 miles in 1953. In spite of the reduced program, charges for rail and other track material showed an increase as compared with 1953 due to credits to those accounts in that year arising from track changes in connection with the Garrison Dam project. The cost of removing snow declined as a result of mild winter weather and benefits accruing from the program of streamlining cuts.

Emphasis is still being placed on all possible uses of labor-saving machines and tools to reduce labor costs.

Maintenance of Equipment Expenses were reduced from \$8,211,527 in 1953 to \$7,581,398 in 1954, or \$630,129. This reduction was mainly in locomotive repairs. While the cost of repairs to Diesel-electric locomotives increased by \$112,701, the cost of repairing steam locomotives was reduced \$576,259 because of the retirement of thirty-seven steam locomotives and the minimizing of repairs to the steam locomotives still in use, in anticipation of complete dieselization. Partially offsetting this net saving was a write-off to maintenance accounts of \$174,466 representing the estimated loss on the company's stock of steam locomotive repair material now obsolete because of dieselization. The cost of repairing freight cars was reduced by \$300,777.

Transportation costs declined from \$15,675,534 in 1953 to \$14,993,061 in 1954, or \$682,473. The decrease is explained partially by a reduction in train miles because of less traffic and partially because of a greater proportionate use of Diesel-electric locomotives. Total train hours in 1954 were 142,059 as compared with 147,919 in 1953, a decrease of 5,860 train hours. The shrinking of traffic, both freight and passenger, a greater utilization of Diesel-electric power, and the resultant reduction in train miles lead to lowered costs

of wages; train fuel, supplies and expenses; yard expenses, etc.

The results of the economies pursued during the year are further accentuated by the fact that over-all operating expenses absorbed approximately \$770,000 in wage increases and fringe benefits to employees.

LABOR AND WAGES

Total wages paid employees during the year dropped approximately 5%; the average number of employees of the company declined approximately 8%. The over-all reduction is due to the decline during most of the year in business activity and resultant economy measures, the increased use of labor saving machinery, etc. The evident disparity between reductions in employees and in compensation is accounted for by increased wage rates and other related factors.

Demands upon the nation's railroads for higher wages, increased so-called "fringe" benefits, and other issues that were in varying stages of negotiation or arbitration at the beginning of the year just ended have for the most part been settled.

The fringe benefits asked by the fifteen co-operating non-operating organizations as outlined in their formal notice served on the company on May 22, 1953, were finally resolved in an agreement dated August 21, 1954. The agreement provides in general for a third week of paid vacation after fifteen years of service, effective January 1, 1954; regular pay for the seven established holidays for regularly assigned employees, effective May 1, 1954; and adoption in principle of a health and welfare plan, as well as various rules changes. As a result of an agreement dated December 3, 1954, the cost-of-living escalation clause contained in the agreement of March 1, 1951, was cancelled and the net increase under that clause of 13 cents per hour was included in basic rates of pay.

The dispute with the Brotherhood of Locomotive Engineers was submitted to arbitration in an agreement signed on March 25, 1954. The National Mediation Board rendered its award on August 13, 1954, and an agreement was signed on August 17, 1954, granting the same benefits as previously accepted by the Brotherhood of Railroad Trainmen, the Order of

Railway Conductors, and the Brotherhood of Locomotive Firemen and Enginemen. This agreement provided for the cancellation of the cost-of-living adjustment included in the May 23, 1952, agreements and the inclusion in the basic rates of the net increase thereunder of 13 cents per hour; an increase in basic rates of 5 cents per hour, effective retroactively to December 16, 1953; and a third week of paid vacation after fifteen years of service, effective January 1, 1954.

Settlements were also reached with other smaller groups of employees granting them similar benefits.

The so-called "health and welfare plan" as contained in the August 21, 1954, agreement with the fifteen co-operating non-operating organizations has been the subject of considerable negotiation. Agreement was reached, however, on January 18, 1955, providing for hospital, medical and surgical insurance, the premium cost of which will be paid equally by the employee and the company, the cost to each being \$3.40 per month per employee. This plan is effective February 1, 1955, and will cost the company approximately \$160,000 per year.

During 1954 hearings were also held before a national arbitration board on the issue of whether or not the railroads were violating that section of the Diesel-electric agreements that provides that a fireman (helper) shall be in the cab of a Diesel-electric locomotive at all times when a train is in motion in high-speed, streamlined, or main-line through passenger service, and further that if compliance with the foregoing requires the services of an additional man to perform the work ordinarily done by the fireman (helper), he shall be taken from the ranks of the firemen.

The decision of the arbitration board was made on April 13, 1954, in which it found no specific violation of the Firemen's Diesel-electric Agreements, that firemen do not have the exclusive right to perform engineroom work, and that the company has the unrestricted right to determine when an additional employee shall be assigned to a multiple-unit Diesel-electric locomotive.

At the request of the Order of Railway Conductors, the Mediation Board resumed mediation of a

demand under which graduated rates of pay to conductors for all classes of service would be established based on weight on drivers of locomotives, similar to the graduated rates of pay now paid to locomotive engineers. Mediation was unsuccessful and on November 23, 1954, the President of the United States created an "emergency board" to investigate and make recommendations in the dispute. Hearings terminated February 23, 1955, but the findings of the board have not yet been announced.

A series of new demands have been served on the company by certain of the operating organizations.

The Brotherhood of Railroad Trainmen on June 7, 1954, served proposals for wage increases that they claimed were to correct inequities in rates of pay because of the length of freight trains and increased duties and responsibilities in connection therewith, adjustment of the wages of yardmen, pay for the seven established holidays for road and yard men, etc.

On July 1, 1954, the Firemen served notice on the company requesting an increase of \$2.56 per day in yard service and a minimum of \$18.00 per day in road service. Counter proposals in rules changes were served by the company. Negotiation of the differences on a national basis has been authorized.

The American Railway Supervisors' Association representing the Mechanical Foremen and Supervisors on September 30, 1954, requested (1) seven holidays, (2) a \$50.00 per month increase retroactive to the first of the year, (3) a health and welfare plan, (4) coverage under the company's pension plan, and (5) four weeks' vacation. These demands were settled by granting a minor change in their vacation agreement providing for payment of vacation allowance to widows or minor children in event of death, and a health and welfare plan equal to the plan now in effect with the non-operating organizations.

The Subordinate officials in the Maintenance of Way and Structures Department, who are also represented by the American Railway Supervisors' Association, served notice on December 4, 1954, requesting additional pay for services on Saturdays and Sundays, pay for seven holidays, and an increase of \$75.00 to their basic monthly salary. They, too, were assured of

a health and welfare plan and their other demands were rejected. No further action has been taken.

On November 29, 1954, the Engineers requested the establishment of a weekly guaranty to engineers assigned to extra lists. Conferences have been held but no final settlement has been reached.

The Engineers also have expressed dissatisfaction with the pattern settlement of their earlier demands and have announced that their proposals for changes in wages and rules will be served and negotiated on an individual road basis. No formal demands have so far been served on the company.

Indications in industry generally are that a new round of moderate wage increases, or "productivity" pay adjustments, is in the making. To what extent this trend will affect railroads is problematical.

TAXES

Total taxes increased \$296,672, due principally to the fact that a Federal Income Tax liability of \$300,000 was accrued in 1954 whereas no such tax liability existed or was accrued for 1953. However, there were other increases and deductions that had a bearing on the 1954 taxes, such as the decrease in Minnesota gross earnings tax because of reduced revenues in the state and the increase in Railroad Retirement and Railroad Unemployment taxes resulting from the increase in the salary base, upon which these latter payroll taxes are calculated, from \$300 to \$350, resulting in an additional estimated tax burden of \$57,500.

TRAFFIC SOLICITATION AND RATES

The Ex Parte 175 increase that was granted by the Interstate Commerce Commission in 1952 and extended in 1953, which provided for approximately a 15% surcharge, is due to expire on December 31, 1955. Efforts are now under way to prepare a petition to the Commission to withdraw this expiration date and incorporate the Ex Parte 175 increases into the permanent rate structure. Such a petition is expected to be filed within the very near future.

Continued efforts are still being made to adjust the railroad freight rate structure to meet the increasing competition of other forms of transportation.

One of the adjustments involves rates on paper prod-

ucts. As an illustration of this, a rate adjustment that is soon to become effective applies to paper where truck competition is becoming more and more prevalent, and it is believed that this will overcome further diversion of this traffic.

Difficulties have been encountered in our attempt to adjust rates on petroleum products to meet highway competition because of the fact that the Interstate Commerce Commission has set a minimum scale of rates below which the railroads cannot go, and unless the condition can be corrected more of this traffic will be diverted to trucks.

Another form of competition that is causing increasing concern is the movement of grain and other commodities by barge on the Mississippi River. The lower basis of rates by barge movement has resulted in permitting the trucking of grain from country origins to the Twin Cities and the combination of the costs of the two movements results in lower freight charges than are available by rail transportation.

The company is continuing its aggressive policy of watchfulness in an effort to retain its existing traffic and to gain additional traffic. A part of this program is its constant endeavor to attract new industries to locate on its lines. During 1954 ninety-nine new leases were consummated for the location of industrial facilities on the company's property. Eight new industries were located on private property adjoining the Company's lines and a number of existing industries were assisted in plant expansion. The new industries represent a variety of enterprises that are expected to result in increased traffic.

Efforts have been continued to better educate and equip our sales forces, and regional staff meetings were held at New York, Chicago, Minneapolis and Seattle in January, 1955. Sales education courses have been given to our representatives to better equip them to sell the service of the company.

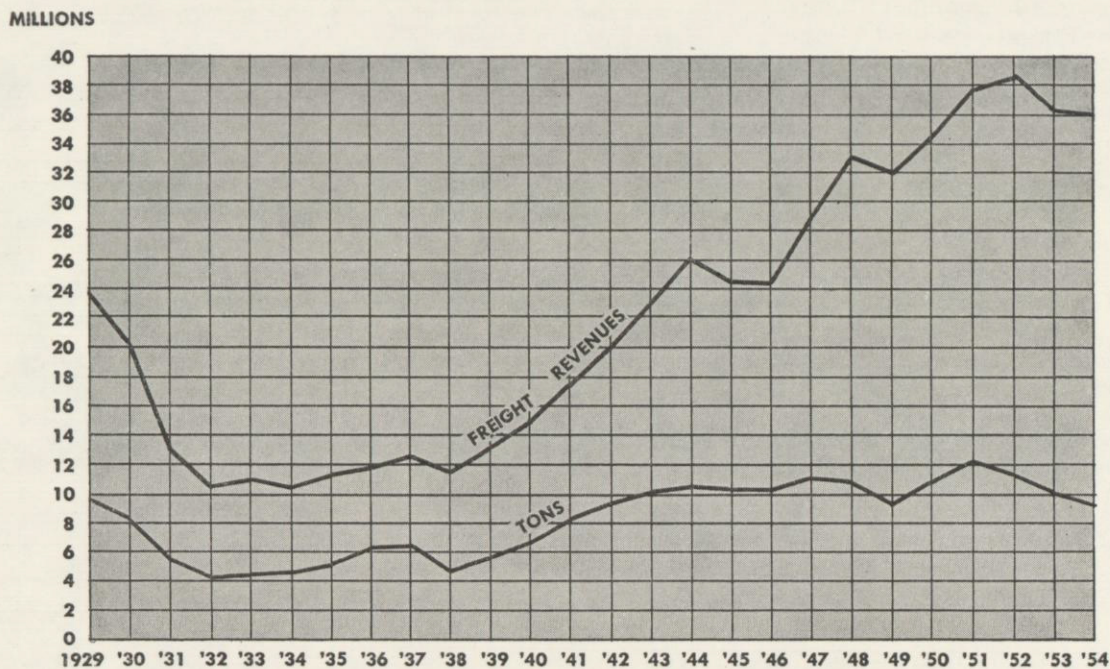
WISCONSIN CENTRAL RAILROAD COMPANY

The company continues to operate the properties of the Wisconsin Central Railroad Company under the existing operating agreement, and progress is being made in revising the provisions thereof in order that the terms may harmonize with current conditions.

THE SOO LINE DOLLAR

	1954	1953	1952 (Cents)	1951	1950
Income:					
Grain.....	24.6	19.1	24.1	26.0	22.0
Other Products of Agriculture.....	3.9	4.1	3.6	3.6	3.8
Animals and Animal Products.....	1.6	1.5	1.4	1.8	2.4
Products of Mines.....	9.7	12.8	13.4	13.2	13.1
Products of Forests.....	13.6	12.1	11.1	10.6	10.4
Manufactures and Miscellaneous.....	27.9	30.6	27.6	26.2	28.8
Less than Carload Freight.....	2.8	3.1	3.0	2.8	3.1
Passenger Train Service.....	6.0	6.2	6.3	6.0	6.9
Incidental.....	1.5	1.8	1.6	1.7	1.8
Rents from Equipment and Joint Facilities.....	8.0	8.3	7.5	7.6	7.2
Other Income.....	.4	.4	.4	.5	.5
Total.....	100.0	100.0	100.0	100.0	100.0
Spent For:					
Wages.....	48.8	50.9	50.5	48.6	46.4
Payroll Taxes—Retirement and Unemployment.....	2.9	2.9	2.8	2.8	2.8
All Other Taxes.....	4.2	3.4	5.1	4.4	7.0
Fuel.....	4.2	4.2	4.9	5.6	6.3
Rails, Ties, and Other Track Materials.....	4.3	4.2	4.4	3.7	3.9
Depreciation.....	4.2	4.0	3.8	3.6	3.7
Other Operating Expenses.....	16.7	18.0	15.9	16.2	15.0
Interest and Sinking Fund.....	2.2	2.2	2.1	2.1	2.3
Rents for Equipment and Joint Facilities.....	8.4	8.6	8.0	8.7	8.7
Miscellaneous.....	.4	.4	.2	.2	.2
Total.....	96.3	98.8	97.7	95.9	96.3
Available for Other Corporate Purposes.....	3.7	1.2	2.3	4.1	3.7

COMPARISON OF FREIGHT REVENUES WITH TONS OF FREIGHT HANDLED



COMPARATIVE GENERAL

ASSET SIDE

CURRENT ASSETS:	Dec. 31, 1954	Dec. 31, 1953	Increase	Decrease
Cash.....	\$ 6,842,198	\$ 3,680,203	\$3,161,995	.....
U. S. Government securities.....	1,425,000	2,425,059	.....	\$1,000,059
Special Deposits:				
For interest and other obligations.....	729,445	737,249	.....	7,804
Employees' Income Tax and War Bonds.....	16,680	16,640	40	.....
For distribution to holders of First Consolidated Bonds of Predecessor Company.....	5,306	5,760	.....	454
Traffic and car-service balances.....	526,610	550,057	.....	23,447
Agents' and conductors' balances.....	871,350	739,551	131,799	.....
Miscellaneous accounts receivable.....	1,208,139	1,611,575	.....	403,436
Material and supplies.....	5,521,184	6,167,951	.....	646,767
Interest and dividends receivable.....	15,415	30,668	.....	15,253
Accrued accounts receivable.....	224,402	443,781	.....	219,379
Other current assets.....	87,725	53,679	34,046	.....
Total.....	17,473,454	16,462,173	1,011,281	.....
DEFERRED ASSETS:				
Working fund advances.....	37,311	42,345	.....	5,034
Other deferred assets.....	723,681	625,113	98,568	.....
Total.....	760,992	667,458	93,534	.....
UNADJUSTED DEBITS:				
Prepayments.....	26,694	159,571	.....	132,877
Discount on funded debt.....	82,544	76,038	6,506	.....
Other unadjusted debits.....	2,564,794	499,174	2,065,620	.....
Total.....	2,674,032	734,783	1,939,249	.....
INVESTMENTS IN SECURITIES, ADVANCES AND SPECIAL DEPOSITS:				
Sinking Fund—General Mortgage.....	42	397	.....	355
Deposits with Northern Trust Co.....	34,623	18,413	16,210	.....
First National Bank—Trust Equipment.....	366,000	24,622	341,378	.....
Investments in affiliated companies:				
Stocks—Pledged under First Mortgage.....	222,275	222,875	.....	600
Stocks—Pledged under Gen'l. Mortgage.....	900,000	900,000	.....	.....
Stocks—Unpledged.....	300	.....	300	.....
Advances.....	436,072	494,500	.....	58,428
Other Investments.....	13,655	23,207	.....	9,552
Total.....	1,972,967	1,684,014	288,953	.....
INVESTMENT IN PROPERTY:				
Road.....	114,069,996	111,045,971	3,024,025	.....
Equipment.....	43,054,349	39,056,236	3,998,113	.....
Miscellaneous physical property.....	225,284	226,129	.....	845
Total.....	157,349,629	150,328,336	7,021,293	.....
Less:				
Acquisition adjustment.....	16,524,115	16,524,115	.....	.....
Donations and grants.....	2,749,830	556,187	2,193,643	.....
Accrued depreciation—road.....	12,349,986	11,905,201	444,785	.....
Accrued depreciation—equipment.....	21,045,751	20,945,122	100,629	.....
Accrued amortization of Defense Projects—equipment.....	2,992,690	2,995,507	.....	2,817
Total.....	55,662,372	52,926,132	2,736,240	.....
Net.....	101,687,257	97,402,204	4,285,053	.....
GRAND TOTAL.....	\$124,568,702	\$116,950,632	\$7,618,070	.....

See page 16 for comments on the balance sheet.

BALANCE SHEET

LIABILITY SIDE

CURRENT LIABILITIES:	Dec. 31, 1954	Dec. 31, 1953	Increase	Decrease
Audited accounts payable.....	\$ 768,177	\$ 1,438,159	.....	\$ 669,982
Wages payable.....	2,378,448	2,418,222	.....	39,774
Miscellaneous accounts payable.....	897,451	917,770	.....	20,319
Interest matured and dividends matured unpaid.....	922,599	936,384	.....	13,785
Unmatured interest accrued.....	23,161	.....	\$ 23,161	.....
Accrued accounts payable.....	1,190,292	1,253,790	.....	63,498
Taxes Accrued.....	2,039,208	1,705,106	334,102	.....
Wisconsin Central Railroad Co.....	727,879	84,793	643,086	.....
Other current liabilities.....	318,185	372,018	.....	53,833
Total.....	9,265,400	9,126,242	139,158	.....
(Ratio of Current Assets to Current Liabilities: 1954—1.89:1 1953—1.80:1)				
DEFERRED LIABILITIES.....	144,817	160,451	.....	15,634
UNADJUSTED CREDITS:				
Reserve for land grant deductions.....	28,915	42,053	.....	13,138
Other unadjusted credits.....	1,767,707	555,246	1,212,461	.....
Accrued depreciation—leased property.....	3,187	2,789	398	.....
Total.....	1,799,809	600,088	1,199,721	.....
LONG-TERM DEBT:				
First Mortgage, 4½%, Cumulative Income Bonds, Series A, 1-1-71.....	6,309,000	6,309,000	.....	.....
Issued.....	\$10,000,000			
Held in Treasury.....	3,691,000			
General Mortgage, 4%, Income Bonds, Series A, 1-1-91.....	14,108,800	14,310,800	.....	202,000
Issued.....	\$20,129,000			
Retired through Sinking Fund.....	2,518,300			
Held in Treasury.....	1,501,900			
Retired by Company.....	2,000,000			
Equipment Conditional Sale Agreements.....	5,897,976	1,495,788	4,402,188	.....
Equipment Trusts.....	4,420,000	2,660,000	1,760,000	.....
Total.....	30,735,776	24,775,588	5,960,188	.....
CAPITAL STOCK:				
719,104 Common shares of no par value stated at \$86.50 per share.....	62,202,496	62,202,496	.....	.....
SURPLUS:				
Unearned Surplus.....	2,915	2,886	29	.....
Earned Surplus—Appropriated.....	3,093,653	2,993,008	100,645	.....
Earned Surplus—Unappropriated.....	17,323,836	17,089,873	233,963	.....
Total.....	20,420,404	20,085,767	334,637	.....
GRAND TOTAL.....	\$124,568,702	\$116,950,632	\$7,618,070	.....

See page 16 for comments on the balance sheet.

COMMENTS ON THE BALANCE SHEET

CONTINGENT ASSETS NOT RECORDED

The company has a contingent interest in 23,850 shares of Wisconsin Central Railroad Company common stock allotted to it in the plan of reorganization of the latter company, consummated on March 1, 1954. These 23,850 shares of stock were deposited in escrow pending the outcome of claims by the Wisconsin Central First and Refunding 5% Bond holders to rights of subrogation to a part of this stock. Upon conclusion of the litigation of this question the appropriate amount of shares will be recorded as an asset on the balance sheet.

UNADJUSTED CREDITS

Liabilities for "unadjusted credits" increased \$1,212,461 during the year principally because of creating reserves for liabilities as of December 31, 1954, for annual vacations earned by employees in 1954 but payable in 1955 and for outstanding loss and damage and overcharge claims. This change in accounting practice for these classes of liabilities was made to protect the company in respect to deductions that would be allowable for Federal Income Tax purposes under the Internal Revenue Code of 1954.

LONG TERM DEBT

Outstanding Mortgage Bonds were reduced during the year in the principal amount of \$202,000 by retirement of General Mortgage Bonds through the sinking fund.

During the year additional equipment Conditional Sale Agreements were entered into in the amount of \$4,695,000 for acquisition of 34 new Diesel-electric locomotives. Principal payment in the amount of \$292,812 was made on outstanding obligations making a net increase from December 31, 1953, to December 31, 1954, of \$4,402,188 in such liabilities outstanding.

The liabilities for outstanding Equipment Trusts also increased from December 31, 1953, to December 31, 1954, in the amount of \$1,760,000. Additional Trust Certificates, Series B, were issued August 1, 1954, in the amount of \$1,950,000 to finance the construction of 400 box cars, offset in part by payment of \$190,000 on the principal amount of outstanding obligations.

SURPLUS

In accordance with Minnesota Law, earned surplus at September 1, 1944 in the amount of \$11,364,138 is designated as "Paid in Surplus."

CONTINGENT LIABILITIES NOT RECORDED

This company is jointly and severally liable with seven other railroads for the principal and interest on \$12,337,000 of First and Refunding Mortgage 3 1/8% Bonds Series "B" of The Saint Paul Union Depot Company. Interest has been paid by The Saint Paul Union Depot Company on these Bonds as it matured.

Table of Net Income and Dividends Paid since September 1, 1944

Year	Net Income	Dividends Paid
9/1 — 12/31/44	\$ 1,053,326	\$
1945	1,754,433	.....
1946	154,188	1,797,760
1947	1,183,000	719,104
1948	1,770,421	719,104
1949	1,148,481	719,104
1950	1,544,969	719,104
1951	1,867,537	719,104
1952	1,040,532	719,104
1953	504,816	359,552
1954	1,592,354	359,552
Totals	<u>\$13,614,057</u>	<u>\$6,831,488</u>

A dividend of \$359,552 was declared February 25, 1955, payable March 31, 1955, in consideration of earnings for 1954.

EARNED SURPLUS ACCOUNT

	To Dec. 31, 1953	Year 1954	To Dec. 31, 1954
EARNED SURPLUS—APPROPRIATED:			
Period prior to September 1, 1944:			
For Capital Fund.....	\$ 500,000		\$ 500,000
For Sinking Fund.....	369,032		369,032
For Retirement of Funded Debt.....	1,184,623		1,184,623
Total.....	2,053,655		2,053,655
Period Subsequent to September 1, 1944:			
For Sinking Fund.....	939,353	\$ 100,645	1,039,998
Total Earned Surplus—Appropriated.....	\$ 2,993,008	\$ 100,645	\$ 3,093,653

EARNED SURPLUS—UNAPPROPRIATED:

Period prior to September 1, 1944:			
Paid-in Surplus in accordance with Minnesota Law.....	\$ 11,364,138		\$11,364,138
Less appropriations.....	2,053,655		2,053,655
Balance.....	9,310,483		9,310,483
Period subsequent to September 1, 1944:			
Net Income.....	12,021,703	\$1,592,354	13,614,057
Less Dividends.....	6,471,936	359,552	6,831,488
Balance.....	5,549,767	1,232,802	6,782,569
Profit and Loss Accounts:			
Discount on Bonds Reacquired.....	2,335,545	101,000	2,436,545
Miscellaneous Credits.....	119,074	17,160	136,234
Less Miscellaneous Debits.....	224,996	1,116,999*	1,341,995
Balance.....	2,229,623	998,839	1,230,784
Total Earned Surplus—Unappropriated.....	\$17,089,873	\$ 233,963	\$17,323,836

*Includes following charges in year 1954: Reserve for 1954 vacations, \$977,236; reserve for outstanding 1954 loss and damage claims, \$114,819; and reserve for outstanding 1954 overcharge claims unsettled, \$16,250.

	1954	1953	1952	1951	1950
INCOME AFTER FIXED CHARGES:					
Times earned for:					
Interest on First Mortgage Bonds.....	9.0	5.1	7.1	10.0	8.9
Interest on General Mortgage Bonds.....	4.0	2.1	3.0	4.4	3.8
Sinking Fund—General Mortgage.....	16.8	6.0	11.3	19.6	16.4
UNAPPROPRIATED INCOME:					
Earned per share.....	\$2.21	\$.70	\$1.45	\$2.60	\$2.15

Figures in Bold Face Denote Contra.

INVESTMENTS IN AFFILIATED COMPANIES

	Number of Shares	Par Value	Book Value	
			Dec. 31, 1954	Dec. 31, 1953
STOCKS—Pledged under First Mortgage:				
Sault Ste. Marie Bridge Co.....	2,500	\$ 250,000	\$ 500	\$ 500
Minnesota Transfer Railway Co.....	913	91,300	91,300	91,300
The Saint Paul Union Depot Co.....	1,036	103,600	130,475	130,475
Railway Express Agency, Inc.....	6	No Par	.....	600
TOTAL.....			\$ 222,275	\$222,875

STOCKS—Pledged under General Mortgage:

Tri-State Land Co. (See Note 1)	25,000	\$ 2,500,000	\$ 900,000	\$900,000
---------------------------------------	--------	--------------	------------	-----------

STOCKS—Unpledged:

Railway Express Agency, Inc.....	3	No Par	\$ 300
----------------------------------	---	--------	--------	-------

ADVANCES:

Minnesota Transfer Ry.—Sinking Fund.....			\$ 41,111	\$ 38,889
Minnesota Transfer Ry.—Locomotives.....			89,665	84,717
Minnesota Transfer Ry.—Construction.....			91,567	88,034
Railway Express Agency, Inc.....			86,747	173,493
The St. Paul Union Depot Co.—Sinking Fund.....			58,756	53,848
The St. Paul Union Depot Co.—Construction.....			47,681	34,974
Sault Ste. Marie Bridge Co.—U. S. Funds.....			20,545	20,545
TOTAL.....			\$ 436,072	\$494,500

OTHER INVESTMENTS

	Number of Shares	Par Value	BOOK VALUE	
			Dec. 31, 1954	Dec. 31, 1953
Wisconsin Central Ry. Co. Common Stock.....	103,595	\$10,359,500	.....	\$ 1
Foremost Dairies: Common Stock	126	25	.....	3,150
Stock purchase warrants	211	None	.....	1,055
Claims allowed in Wisconsin Central R.R. Co. Reorganization (See Note 2)		1,892,260	\$ 1	1
Dakota Chief Sales Co.—Sales Contract.....		13,654	13,654	19,000
TOTAL.....			\$ 13,655	\$ 23,207

NOTE 1: The equity of the Company in the net worth (capital stock and surplus) of the Tri-State Land Company, a solely owned subsidiary, has been written down on the Soo Line books to the estimated value as determined by appraisal as of September 1, 1944. The amount of this equity is \$900,000 as shown under the column headed "Book Value." The result for the year 1954 was a net income of \$49,097, and the net worth of that company as reflected on its books at December 31, 1954, is \$1,643,684, without provision for impairment of asset values.

NOTE 2: See comments on page 16 for explanation of value of allowance for claim filed in Wisconsin Central R.R. Co. reorganization proceedings.

PHYSICAL PROPERTY CHANGES, ADDITIONS AND BETTERMENTS

The program of improvements to physical property was continued during 1954, consistent with the company's financial position. A brief summary of the projects undertaken in 1954 follows:

Road and General Expenditures:

Bridge Renewals and Filling	\$ 223,286
Additions and Improvements to Station and Office Buildings	85,355
Purchase of Miscellaneous Shop Tools and Machinery	27,589
Purchase of Miscellaneous Roadway Machines	44,204
Additional Company Side and Yard Tracks	75,864
Additional Industry Side and Yard Tracks	13,608
Relaying of Rail in Main Track, New 100 Pound Replacing 90 Pound—9.75 miles	41,681
Relaying of Rail in Main Track, New 100 Pound Replacing 80 Pound—10.00 miles	68,697
Relaying of Rail in Main Track, New 90 Pound Replacing 85 Pound—5.10 miles	14,617
Relaying of Rail in Main Tracks with Relay Rail—19.33 miles	29,745
Relaying of Rail in Side and Yard Tracks with Relay Rail—2.46 miles	3,835
Additional Tie Plates and Rail Anchors	119,236
Widen and Flatten Cuts—Drake to Balta, Garrison to Bismarck, and Veblen Branch	130,800
Additions and Improvements to Interlockers and Signals	75,475
Additions and Improvements to Communication Systems	15,501
Expenditures in Connection with Public Improvements	102,757
Additions and Improvements to Roadway Buildings	13,405
Rehabilitation of Valley City Street and Interurban Ry. Co. Track at Valley City, N. D., which was acquired in 1953	24,085
Relocation of Main Track 10.14 miles, Other Tracks 1.33 miles between Garrison and Coleharbor, N. D. (Cost of relocation borne by the U. S. Government)	2,359,751
Miscellaneous Expenditures	36,455
Total	\$3,505,946

Equipment:

Purchase of 7 Diesel-electric 1750 H.P. Road-Switch Locomotives	\$1,113,738
Purchase of 4 Diesel-electric 1000 H.P. Road-Switch Locomotives	465,524
Purchase of 3 Diesel-electric 1750 H.P. Road-Switch, Freight or Passenger, Locomotives	512,535
Purchase of 8 Diesel-electric 1200 H.P. Switch Locomotives	849,266
Construct a spare Diesel Engine	27,870
Purchase 2 Spare Trucks for Diesel-electric Locomotives	47,470
Construction of 360—40' 6"—50-Ton Steel Box Cars	2,030,731
Reinforce Underframes on 299 Ore Cars	46,578
Improvements to 69 Box Cars	16,664
Addition of 15 Other Units of Work Equipment (1 Purchase, 11 Conversion, 2 Construction from Foreign and Damaged Cars and 1 Reinstatement)	23,167
Purchase 3 Automobiles and Trucks	3,821
Unapplied Material and Supplies—Equipment	190,110*
Miscellaneous Expenditures	23,634
Total	\$5,351,108

*This amount represents materials and supplies acquired for freight train cars under construction which will be reported as specific units in 1955.

TRACK MILES OF RAIL LAID

Installed in Main Track:	1954	1953	1952	1951	1950
New 100 Pound	19.75	18.40	.....	.....	.....
New 90 Pound	5.10	19.48	38.43	53.87	55.33
Second Hand 90 Pound	7.86	10.54	1.26	.04	.....
Second Hand 85 Pound	7.17	.....	5.24	30.81	14.10
Second Hand 80 Pound	4.30	.59	.63	.50	14.59
Total—Installed in Main Track	44.18	49.01	45.56	85.22	84.02
Installed in Other Tracks:					
Second Hand, Various Weights	2.46	2.75	5.14	5.29	5.83

CROSS TIES REPLACED

	1954	1953	1952	1951	1950
Untreated Cross Ties	401	2,859	6,279	12,733	15,367
Treated Cross Ties	368,651	407,084	392,292	373,143	357,570
Total	369,052	409,943	398,571	385,876	372,937

MATURITIES BY YEARS OF LONG-TERM DEBT OUTSTANDING AT DECEMBER 31, 1954

Year of Maturity	Equipment Obligations			First Mortgage Income 4½%	General Mortgage Income 4%	Total
	Conditional Sales Agreements	Equipment Trust Series A, Dated July 1, 1952	Equipment Trust Series B, Dated Aug. 1, 1954	Bonds Series A, Due Jan. 1, 1971	Bonds Series A, Due Jan. 1, 1991	
1955.....	\$ 605,812	\$ 190,000	\$ 130,000	.....	.....	\$ 925,812
1956.....	605,812	190,000	130,000	.....	.....	925,812
1957.....	605,812	190,000	130,000	.....	.....	925,812
1958.....	569,788	190,000	130,000	.....	.....	889,788
1959.....	380,752	190,000	130,000	.....	.....	700,752
1960.....	313,000	190,000	130,000	.....	.....	633,000
1961.....	313,000	190,000	130,000	.....	.....	633,000
1962.....	313,000	190,000	130,000	.....	.....	633,000
1963.....	313,000	190,000	130,000	.....	.....	633,000
1964.....	313,000	190,000	130,000	.....	.....	633,000
1965.....	313,000	190,000	130,000	.....	.....	633,000
1966.....	313,000	190,000	130,000	.....	.....	633,000
1967.....	313,000	190,000	130,000	.....	.....	633,000
1968.....	313,000	.....	130,000	.....	.....	443,000
1969.....	313,000	.....	130,000	.....	.....	443,000
1971.....	.....	.....	.....	\$6,309,000	.....	6,309,000
1991.....	.....	.....	.....	.....	\$14,108,800	14,108,800
Totals.....	\$5,897,976	\$2,470,000	\$1,950,000	\$6,309,000	\$14,108,800	\$30,735,776

LOCOMOTIVES AND FREIGHT TRAIN CARS ADDED AND RETIRED

Year	Diesel-electric Locomotives		Steam Locomotives		Freight-Train Cars	
	Added	Retired	Added	Retired	Added	Retired
1930.....	.....	.....	.....	11	202	461
1931.....	.....	.....	10	.....	9	133
1932.....	.....	.....	.....	27	.....	294
1933.....	.....	.....	.....	38	.....	1,889
1934.....	.....	.....	.....	6	.....	1,689
1935.....	.....	.....	.....	9	.....	292
1936.....	.....	.....	.....	3	500	530
1937.....	.....	.....	.....	1	200	956
1938.....	.....	.....	.....	7	.....	153
1939.....	3	.....	.....	4	.....	386
1940.....	.....	.....	.....	10	755	289
1941.....	1	.....	8	3	302	117
1942.....	.....	.....	4	3	100	169
1943.....	.....	.....	.....	6	.....	156
1944.....	.....	.....	.....	1	.....	173
1945.....	1	.....	.....	.....	.....	171
1946.....	.....	.....	.....	3	.....	208
1947.....	7	.....	.....	4	.....	464
1948.....	11	.....	.....	16	.....	436
1949.....	8	.....	.....	11	350	229
1950.....	7	.....	.....	9	395	499
1951.....	7	.....	.....	18	374	571
1952.....	10	1	.....	7	107	303
1953.....	.....	.....	.....	17	318	335
1954.....	22	.....	.....	37	363	198

DETAILS OF INCOME ACCOUNT

OPERATING REVENUES

FREIGHT:	1954	1953	1952	1951	1950
Products of Agriculture:					
Grain.....	\$10,542,104	\$ 8,312,785	\$11,040,012	\$11,694,561	\$ 9,145,373
Flour.....	65,957	73,135	80,226	113,303	99,535
Potatoes.....	321,131	305,481	240,406	164,979	248,943
All Other.....	1,291,534	1,396,774	1,318,787	1,359,629	1,215,994
Total.....	12,220,726	10,088,175	12,679,431	13,332,472	10,709,845
Animals and Animal Products:					
Cattle and Calves.....	173,702	155,713	162,998	281,381	480,719
Hogs.....	20,257	20,624	25,889	23,029	23,135
Butter.....	111,675	134,476	115,912	106,658	124,123
All Other.....	354,797	355,472	333,828	402,531	379,125
Total.....	660,431	666,285	638,627	813,599	1,007,102
Products of Mines:					
Bituminous Coal.....	693,953	711,158	859,532	954,105	1,052,095
Lignite Coal.....	660,056	644,231	725,535	781,268	854,208
Iron Ore.....	1,098,446	1,882,231	1,713,697	1,800,998	1,562,083
Stone and Rock.....	333,942	311,392	924,524	700,278	335,795
Gravel and Sand.....	474,813	1,079,333	935,537	929,712	812,403
All Other.....	897,420	939,446	1,008,368	798,668	833,094
Total.....	4,158,630	5,567,791	6,167,193	5,965,029	5,449,678
Products of Forests:					
Posts, Poles, and Piling, Wooden.....	351,594	348,667	273,324	174,530	237,318
Logs, Butts and Poles.....	263,557	351,849	272,232	318,451	277,963
Pulpwood.....	1,116,888	1,087,140	1,675,382	1,619,617	1,189,070
Lumber, Shingles and Lath.....	3,806,634	3,161,177	2,558,666	2,439,840	2,456,023
All Other.....	282,602	305,311	283,384	225,113	180,483
Total.....	5,821,275	5,254,144	5,062,988	4,777,551	4,340,857
Manufactures and Miscellaneous:					
Gasoline and Petroleum Products.....	1,072,663	1,152,076	1,143,156	1,005,410	1,089,713
Fuel and Road Oils, etc.....	485,781	596,838	555,955	548,831	701,200
Manufactured Iron and Steel.....	861,357	704,761	617,251	549,446	517,865
Cement, Building.....	727,254	999,811	967,189	890,293	757,336
Agricultural Implements and Parts.....	463,386	767,608	774,027	692,024	665,629
Iron and Steel Pipe.....	1,048,982	858,450	308,768	247,042	815,416
Newsprint Paper.....	1,124,620	1,127,462	1,167,386	1,021,537	962,189
Woodpulp.....	845,410	821,269	840,573	997,391	790,539
All Other.....	5,326,882	6,269,166	6,264,203	5,871,590	5,663,578
Total.....	11,956,335	13,297,441	12,638,508	11,823,564	11,963,465
Less-than-carload Freight.....	1,178,855	1,348,492	1,361,057	1,283,385	1,271,763
Total Freight.....	35,996,252	36,222,328	38,547,804	37,995,600	34,742,710
PASSENGER.....	978,930	1,060,360	1,105,735	1,015,338	1,063,331
MAIL.....	1,188,448	1,168,797	1,204,538	1,289,354	1,425,608
EXPRESS.....	264,442	323,007	372,358	241,100	237,306
MILK.....	102,589	112,458	126,840	117,297	99,196
OTHER PASSENGER-TRAIN SERVICE.....	34,316	56,691	67,324	57,350	60,396
SWITCHING.....	128,127	116,178	118,754	115,938	110,940
DEMURRAGE.....	81,100	65,479	71,073	135,314	79,076
TELEGRAPH AND TELEPHONE.....	46,572	54,337	41,944	47,065	50,055
ORE DOCK CHARGES.....	75,296	170,324	158,373	168,165	159,354
JOINT FACILITY—NET.....	116,241	169,096	153,431	144,272	152,426
ALL OTHER.....	177,298	187,885	202,051	158,982	189,580
Total Operating Revenues.....	\$39,189,611	\$39,706,940	\$42,170,225	\$41,485,775	\$38,369,978

DETAILS OF INCOME ACCOUNT—Continued

OPERATING EXPENSES

	1954	1953	1952	1951	1950
Maintenance of Way and Structures:					
Superintendence.....	\$ 453,728	\$ 427,252	\$ 432,752	\$ 393,865	\$ 353,980
Roadway Maintenance.....	939,158	1,090,562	1,152,758	1,045,435	985,382
Tunnels and Subways.....	178	220	500	255	338
Bridges, Trestles and Culverts.....	244,219	213,676	246,003	179,664	203,710
Ties.....	1,267,254	1,410,621	1,419,888	998,422	919,214
Rails.....	274,460	188,283	292,651	316,485	357,940
Other Track Material.....	305,740	248,552	320,549	349,169	360,901
Ballast.....	188,961	331,957	296,906	262,255	142,133
Track Laying and Surfacing (Labor).....	2,205,142	2,539,047	2,599,275	2,518,484	1,999,378
Total.....	5,425,112	6,022,918	6,328,530	5,670,169	4,968,996
Fences, Snowsheds and Signs.....	97,328	126,846	94,631	125,387	127,436
Station and Office Buildings.....	258,294	279,047	228,962	231,117	223,810
Roadway Buildings.....	7,988	11,373	5,657	5,915	5,007
Water Stations.....	36,315	38,323	43,575	50,885	46,586
Fuel Stations.....	12,614	17,226	22,801	20,719	15,467
Shops and Enginehouses.....	133,891	142,218	154,167	154,341	112,259
Communication Systems.....	145,211	142,382	157,940	162,242	169,372
Signals and Interlockers.....	51,685	44,971	43,704	53,937	26,897
Power Plants.....	7,071	2,329	1,269	972	1,812
Power Transmission Systems.....	2,094	743	227	566	1,067
Miscellaneous Structures.....	37	.....	57	10	4
Total.....	752,528	805,458	752,990	806,091	729,717
Roadway Machines.....	234,134	211,354	214,921	165,386	137,342
Dismantling Retired Road Property.....	25,350	28,802	35,858	29,809	15,268
Small Tools and Supplies.....	122,691	107,393	99,828	83,523	81,642
Removing Snow, Ice, and Sand.....	187,572	234,260	326,250	471,071	488,742
Public Improvements—Maintenance.....	82,466	55,381	176,844	69,078	57,932
Injuries to Persons.....	69,429	87,183	68,828	34,840	56,767
Insurance.....	34,351	20,957	19,904	17,191	13,453
Stationery and Printing.....	7,220	8,467	9,875	6,791	6,691
Other Expenses.....	20,897	62,535	102,375	33,913	5,086
Maintaining Jt. Trks., Yds. and Other Fac.—Dr.....	250,955	320,284	231,751	217,113	214,644
Maintaining Jt. Trks., Yds. and Other Fac.—Cr.....	27,345	26,779	24,037	28,048	24,357
Right-of-Way Expenses.....	5,070	5,525	3,519	6,256	3,610
Total.....	1,012,790	1,115,362	1,265,916	1,106,923	1,056,820
Total Maint. of Way and Struct. Excluding Depreciation and Retirement Charges.....	7,644,158	8,370,990	8,780,188	7,977,048	7,109,513
Depreciation and Retirement Charges:					
Road Property—Depreciation.....	570,948	559,178	534,744	518,545	507,700
Retirements—Road.....	119,106	57,525	123,259	48,520	41,034
Total.....	690,054	616,703	658,003	567,065	548,734
Total Maint. of Way and Struct. Including Depreciation and Retirement Charges.....	\$8,334,212	\$8,987,693	\$9,438,191	\$8,544,113	\$7,658,247
Per cent to Total Operating Revenues.....	21.27	22.63	22.38	20.60	19.96

Figures in Bold Face Denote Contra.

DETAILS OF INCOME ACCOUNT—Continued

	1954	1953	1952	1951	1950
Maintenance of Equipment:					
Superintendence.....	\$ 151,064	\$ 152,610	\$ 150,246	\$ 138,087	\$ 122,720
Shop Machinery.....	108,465	123,361	117,819	138,199	98,979
Power Plant Machinery.....	29,957	26,530	26,180	30,467	23,567
Steam Locomotives—Repairs.....	753,564	1,329,823	1,586,118	1,596,838	1,425,434
Other Locomotives—Repairs.....	1,311,794	1,199,093	1,060,509	973,027	726,306
Freight-Train Cars—Repairs.....	3,009,690	3,310,467	3,072,625	2,856,628	2,122,373
Passenger-Train Cars—Repairs.....	582,032	582,822	602,240	493,247	437,034
Work Equipment—Repairs.....	63,406	81,344	94,853	163,020	121,949
Miscellaneous Equipment—Repairs.....	28,881	22,612	19,496	19,674	15,612
Total.....	5,887,789	6,676,052	6,579,840	6,271,100	4,971,254
Dismantling Retired Shop & P. P. Machinery.....	249	352	398	138	164
Dismantling Retired Equipment.....	1,016	2,610	1,957	22,553	11,805
Retirements—Equipment.....	3,793	4,941	43,084	3,407	650
Injuries to Persons.....	24,207	66,439	32,887	64,333	26,944
Insurance.....	71,397	54,486	54,131	49,388	37,456
Stationery and Printing.....	3,933	3,897	4,697	3,923	6,494
Other Expenses.....	192,158	22,115	15,026	18,089	17,295
Joint Maint. of Equip. Expenses—Dr.....	40,420	50,198	44,036	56,022	38,555
Joint Maint. of Equip. Expenses—Cr.....	5,632	4,522	3,794	7,351	4,775
Total.....	323,955	190,634	106,254	203,412	133,288
Total Maintenance of Equipment Excluding Depreciation Charges.....	6,362,808	7,019,296	6,836,340	6,612,599	5,227,262
Depreciation Charges:					
Shop and Power Plant Machinery.....	20,461	19,418	18,616	17,678	17,117
Equipment.....	1,198,129	1,172,813	1,167,370	1,096,845	1,011,241
Total.....	1,218,590	1,192,231	1,185,986	1,114,523	1,028,358
Total Maintenance of Equipment Including Depreciation.....	\$7,581,398	\$8,211,527	\$8,022,326	\$7,727,122	\$6,255,620
Per cent to Total Operating Revenues.....	19.34	20.68	19.02	18.63	16.30
Traffic:					
Superintendence.....	\$ 297,105	\$289,736	\$271,769	\$263,799	\$263,331
Outside Agencies.....	518,421	489,736	475,808	463,456	405,057
Advertising.....	55,485	71,040	74,602	78,286	60,595
Traffic Associations.....	24,346	21,350	19,825	22,391	18,902
Industrial and Immigration Bureaus.....	9,684	11,507	9,323	9,267	8,123
Insurance.....	352	431	337	189	137
Stationery and Printing.....	53,258	52,411	54,488	50,548	53,533
Total Traffic.....	\$ 958,651	\$936,211	\$906,152	\$887,936	\$809,678
Per cent to Total Operating Revenues.....	2.45	2.36	2.15	2.14	2.11

Figures in Bold Face Denote Contra.

DETAILS OF INCOME ACCOUNT—Continued

	1954	1953	1952	1951	1950
Transportation:					
Superintendence.....	\$ 416,529	\$ 401,940	\$ 389,285	\$ 360,930	\$ 315,293
Dispatching Trains.....	223,927	218,403	219,669	210,545	180,563
Total.....	640,456	620,343	608,954	571,475	495,856
Station Employees.....	2,432,318	2,487,516	2,518,591	2,486,241	2,277,449
Weighing Insp. and Dem. Bureaus.....	34,519	32,079	31,808	30,033	27,228
Station Supplies and Expenses.....	194,213	178,729	179,953	185,557	169,564
Total.....	2,661,050	2,698,324	2,730,352	2,701,831	2,474,241
Yard Masters and Yard Clerks.....	355,276	356,291	358,127	340,324	318,371
Yard Conductors and Brakemen.....	766,022	759,971	840,818	867,166	739,942
Yard Switch and Signal Tenders.....	27,652	26,884	33,208	36,340	32,021
Yard Enginemen.....	515,876	522,937	549,419	583,913	506,199
Yard Switching Fuel.....	181,379	186,505	230,384	277,698	297,974
Water for Yard Locomotives.....	10,612	10,053	13,347	14,329	12,047
Lubricants for Yard Locomotives.....	7,791	7,954	8,760	9,437	9,192
Other Supplies for Yard Locomotives.....	3,940	4,382	4,417	4,255	3,921
Enginehouse Expenses—Yard.....	125,657	121,956	145,662	164,377	151,423
Yard Supplies and Expenses.....	13,706	13,212	12,613	13,155	12,779
Opr. Joint Yards and Terminals—Dr.....	796,450	1,017,120	890,197	973,712	778,232
Opr. Joint Yards and Terminals—Cr.....	51,581	57,182	48,834	80,006	53,249
Total.....	2,752,780	2,970,083	3,038,118	3,204,700	2,808,852
Train Enginemen.....	1,797,133	1,856,446	1,931,193	1,911,881	1,698,547
Train Fuel.....	1,620,883	1,640,369	2,003,329	2,223,734	2,296,223
Water for Train Locomotives.....	51,612	53,252	67,347	77,992	75,043
Lubricants for Train Locomotives.....	83,297	85,605	87,263	92,025	76,174
Other Supplies for Train Locomotives.....	42,270	47,185	44,057	41,083	32,684
Enginehouse Expenses—Train.....	528,368	536,894	579,060	551,600	496,480
Trainmen.....	2,542,307	2,616,669	2,708,153	2,679,905	2,355,885
Train Supplies and Expenses.....	1,029,899	1,110,158	1,051,238	1,197,021	1,039,044
Operating Sleeping Cars.....	218,033	148,070	132,116	72,992	57,970
Total.....	7,913,802	8,094,648	8,603,756	8,848,233	8,128,050
Signal and Interlocker Operation.....	106,867	107,417	108,038	103,629	93,546
Crossing Protection.....	45,845	56,051	60,785	70,010	80,326
Drawbridge Operation.....	50	.....	187	1	5
Communication System Operation.....	85,907	85,377	84,736	84,527	76,913
Stationery and Printing.....	53,077	48,343	55,230	53,046	51,000
Other Expenses.....	65,459	121,447	124,398	170,003	124,679
Operating Jt. Trks. and Facilities—Dr.....	149,932	146,042	153,311	146,584	132,718
Operating Jt. Trks. and Facilities—Cr.....	26,365	24,192	30,065	41,667	34,482
Insurance.....	26,003	15,398	6,263	6,026	5,935
Clearing Wrecks.....	48,143	75,744	115,718	109,520	83,547
Damage to Property.....	12,116	17,585	4,221	4,552	36,227
Damage to Live Stock on R. of W.....	12,888	7,239	18,622	18,879	11,883
Loss and Damage—Freight.....	205,840	199,527	331,835	198,420	221,309
Loss and Damage—Baggage.....	138	106	238	210	102
Injuries to Persons.....	239,073	436,052	513,908	177,704	449,321
Total.....	1,024,973	1,292,136	1,547,425	1,101,444	1,333,029
Total Transportation.....	\$14,993,061	\$15,675,534	\$16,528,605	\$16,427,683	\$15,240,028
Per cent to Total Operating Revenues.....	38.26	39.48	39.19	39.60	39.72
Miscellaneous Operations:					
Dining and Buffet Service.....	\$ 222,603	\$ 236,357	\$ 216,563	\$ 201,665	\$ 191,065
Operating Jt. Misc. Facilities—Dr.....	17,379	18,526	20,804	19,484	18,149
Total Miscellaneous Operations.....	\$ 239,982	\$ 254,883	\$ 237,367	\$ 221,149	\$ 209,214
Per cent to Total Operating Revenue.....	.61	.64	.56	.53	.55

Figures in Bold Face Denote Contra.

DETAILS OF INCOME ACCOUNT—Continued

	1954	1953	1952	1951	1950
General:					
Sal. and Exp. of General Officers	\$ 169,154	\$ 170,932	\$ 161,891	\$ 154,114	\$ 155,925
Sal. and Exp. of Clerks and Attendants.....	824,300	831,867	797,302	784,729	682,757
General Office Supplies and Expenses.....	67,182	63,891	57,901	64,235	63,913
Law Expenses.....	118,614	128,461	104,539	106,880	99,618
Insurance.....	657	552	621	614	438
Pensions and Gratuities.....	38,665	34,401	37,272	19,983	18,319
Stationery and Printing.....	51,901	42,700	43,117	47,049	36,139
Other Expenses.....	63,580	65,360	55,886	58,953	51,722
General Joint Facilities—Dr.....	18,175	12,479	10,870	10,431	8,548
General Joint Facilities—Cr.....	4,209	4,266	3,611	5,100	3,960
Total General.....	\$ 1,348,019	\$ 1,346,377	\$ 1,265,788	\$ 1,241,888	\$ 1,113,419
Per cent to Total Operating Revenues.....	3.44	3.39	3.01	2.99	2.90
Total Railway Operating Expenses.....	\$33,455,323	\$35,412,225	\$36,398,429	\$35,049,891	\$31,286,206
Per cent to Total Operating Revenues.....	85.37	89.18	86.31	84.49	81.54
NET REVENUE FROM RAILWAY OPERATIONS	\$ 5,734,288	\$ 4,294,715	\$ 5,771,796	\$ 6,435,884	\$ 7,083,772

RAILWAY TAX ACCRUALS

Payroll Taxes:					
Railroad Retirement	\$ 1,133,803	\$ 1,156,376	\$ 1,186,005	\$ 1,140,998	\$ 1,055,810
Railroad Unemployment.....	90,481	92,289	95,371	95,168	88,072
Total Payroll Taxes.....	1,224,284	1,248,665	1,281,376	1,236,166	1,143,882
Other Taxes:					
Federal Income:					
Current Year.....	300,000		675,000	1,157,770	1,450,000
Adjustment of Prior Years.....		44,789	39,543	706,459	2,669
State, Local and Other.....	1,494,926	1,518,662	1,603,349	1,533,759	1,468,765
Total Other Taxes.....	1,794,926	1,473,873	2,317,892	1,985,070	2,921,434
Total Railway Tax Accruals.....	\$ 3,019,210	\$ 2,722,538	\$ 3,599,268	\$ 3,221,236	\$ 4,065,316
RAILWAY OPERATING INCOME.....	\$ 2,715,078	\$ 1,572,177	\$ 2,172,528	\$ 3,214,648	\$ 3,018,456

EQUIPMENT RENTS — NET

Freight Cars.....	\$ 14,855	\$ 155,858	\$ 22,839	\$ 206,666	\$ 367,507
Passenger Cars.....	38,009	64,367	44,597	86,233	51,252
Locomotives.....	36,064	27,417	27,679	13,625	7,961
Work Equipment.....	8,195	7,045	1,258	1,370	3,572
Total Equipment Rents—Net.....	\$ 21,105	\$ 125,953	\$ 38,499	\$ 277,904	\$ 407,226

JOINT FACILITY RENTS

Rents Payable.....	\$ 497,692	\$ 555,774	\$ 493,163	\$ 489,852	\$ 463,494
Rents Receivable.....	275,932	290,840	269,185	262,385	252,006
Total Joint Facility Rents—Net.....	\$ 221,760	\$ 264,934	\$ 223,978	\$ 227,467	\$ 211,488
NET RAILWAY OPERATING INCOME.....	\$ 2,514,423	\$ 1,433,196	\$ 1,910,051	\$ 2,709,277	\$ 2,399,742

Figures in Bold Face Denote Contra.

DETAILS OF INCOME ACCOUNT—Concluded

OTHER INCOME

	1954	1953	1952	1951	1950
Income from Lease of Road and Equipment.....					\$ 685
Miscellaneous Rent Income	\$ 93,801	\$ 87,392	\$ 80,135	\$ 74,453	65,756
Income from Non-Operating Property	8,123	11,219	10,264	10,659	10,811
Dividend Income	4,277	4,144	4,144	4,144	4,144
Interest Income	63,951	59,312	70,862	111,751	112,605
Miscellaneous Income	11,565	22,468	30,514	18,093	359
Total Other Income	\$ 181,717	\$ 184,535	\$ 195,919	\$ 219,100	\$ 194,360
TOTAL INCOME	\$2,696,140	\$1,617,731	\$2,105,970	\$2,928,377	\$2,594,102

MISCELLANEOUS DEDUCTIONS FROM INCOME

Miscellaneous Rents	\$ 3,321	\$ 2,891	\$ 1,103	\$ 1,733	\$ 2,024
Miscellaneous Tax Accruals	2,208	2,268	2,167	2,188	2,652
Miscellaneous Income Charges	11,987	29,172	10,508	41,314	52,304
Total Miscellaneous Deductions from Income	\$ 17,516	\$ 34,331	\$ 13,778	\$ 45,235	\$ 56,980

INCOME AVAILABLE FOR FIXED AND

CONTINGENT CHARGES	\$2,678,624	\$1,583,400	\$2,092,192	\$2,883,142	\$2,537,122
--------------------------	-------------	-------------	-------------	-------------	-------------

FIXED CHARGES

Rent for Leased Road and Equipment.....	\$ 1,685	\$ 1,685	\$ 1,685	\$ 1,685	\$ 1,685
Interest on Equipment Obligations.....	128,743	113,304	78,815	44,374	8,903
Interest on Unfunded Debt	391	525	3,063	745	9,447
Amortization of Discount on Funded Debt.....	6,545	6,084	4,071	4,055	2,876
Total Fixed Charges	\$ 137,364	\$ 121,598	\$ 87,634	\$ 50,859	\$ 22,911

INCOME AVAILABLE FOR CONTINGENT CHARGES	\$2,541,260	\$1,461,802	\$2,004,558	\$2,832,283	\$2,514,211
---	-------------	-------------	-------------	-------------	-------------

CONTINGENT CHARGES

Interest on First Mortgage Bonds	\$ 283,909	\$ 283,909	\$ 283,909	\$ 283,909	\$ 283,909
Interest on General Mortgage Bonds	564,352	572,432	579,472	580,192	584,688
Sinking Fund—General Mortgage	100,645	100,645	100,645	100,645	100,645
Total Contingent Charges	\$ 948,906	\$ 956,986	\$ 964,026	\$ 964,746	\$ 969,242

NET INCOME	\$1,592,354	\$ 504,816	\$1,040,532	\$1,867,537	\$1,544,969
------------------	-------------	------------	-------------	-------------	-------------

OPERATING STATISTICS

	1954	1953	1952	1951	1950
AVERAGE MILES OF ROAD OPERATED.....	3,222.40	3,222.75	3,223.45	3,223.83	3,223.85
TRAIN MILES (REVENUE SERVICE)					
Freight Service:					
Steam.....	415,530	503,019	943,861	1,217,010	1,383,642
Diesel.....	2,450,792	2,396,201	2,089,367	1,909,889	1,635,623
Total.....	2,866,322	2,899,220	3,033,228	3,126,899	3,019,265
Passenger Service:					
Steam.....	546,252	767,247	1,081,918	1,223,395	1,596,631
Diesel.....	982,053	1,038,059	757,449	605,427	183,821
Total.....	1,528,305	1,805,306	1,839,367	1,828,822	1,780,452
TOTAL TRAIN MILES.....	4,394,627	4,704,526	4,872,595	4,955,721	4,799,717
LOCOMOTIVE MILES (REVENUE SERVICE)					
Freight Service:					
Steam.....	453,972	545,572	989,915	1,291,587	1,452,736
Diesel.....	2,469,489	2,407,200	2,101,111	1,923,126	1,643,827
Total.....	2,923,461	2,952,772	3,091,026	3,214,713	3,096,563
Passenger Service:					
Steam.....	562,497	779,265	1,100,683	1,251,142	1,620,522
Diesel.....	993,399	1,049,520	762,856	606,590	184,160
Total.....	1,555,896	1,828,785	1,863,539	1,857,732	1,804,682
Switching Service—Road and Yard					
Steam.....	298,686	346,910	484,620	653,520	779,826
Diesel.....	550,428	538,594	539,143	494,476	356,508
Total.....	849,114	885,504	1,023,763	1,147,996	1,136,334
TOTAL LOCOMOTIVE MILES.....	5,328,471	5,667,061	5,978,328	6,220,441	6,037,579
CAR MILES (REVENUE SERVICE)					
Freight:					
Loaded.....	81,612,186	81,449,970	86,275,733	88,856,161	86,871,880
Empty.....	42,944,720	43,867,610	47,156,562	47,783,450	48,325,274
Caboose.....	2,167,957	2,262,127	2,403,186	2,494,555	2,387,827
Total.....	126,724,863	127,579,707	135,835,481	139,134,166	137,584,981
Passenger:					
Coaches.....	1,734,643	1,961,357	2,043,094	1,910,398	2,060,772
Sleeping and Parlor.....	2,572,960	2,650,223	2,705,471	2,615,493	2,547,797
Other.....	5,655,820	6,206,603	6,157,289	6,177,815	6,027,871
Total.....	9,963,423	10,818,183	10,905,854	10,703,706	10,636,440
TOTAL CAR MILES.....	136,688,286	138,397,890	146,741,335	149,837,872	148,221,421
GROSS TON MILES					
Freight Service—Cars and Contents.....	5,558,333,962	5,558,231,828	6,059,950,394	6,259,406,611	6,010,544,960
Passenger Service—Cars Only.....	580,257,396	641,920,884	645,388,748	630,192,584	621,246,504
TOTAL GROSS TON MILES.....	6,138,591,358	6,200,152,712	6,705,339,142	6,889,599,195	6,631,791,464

OPERATING STATISTICS—Continued

	1954	1953	1952	1951	1950
CONSUMPTION OF FUEL:					
Coal in Tons:					
Freight.....	43,958	47,204	89,809	116,973	136,310
Passenger.....	21,775	30,445	46,343	55,893	75,282
Yard Switching.....	14,186	17,868	24,783	32,682	34,661
Total.....	79,919	95,517	160,935	205,548	246,253
Average Cost per Ton.....	\$7.2077	\$6.6786	\$6.6913	\$6.5558	\$7.0424
Diesel Fuel in Gallons:					
Freight.....	8,224,878	8,129,736	7,513,648	7,150,396	6,359,757
Passenger.....	2,207,496	2,162,713	1,811,440	1,535,039	481,021
Yard Switching.....	635,022	568,600	491,958	430,549	385,147
Total.....	11,067,396	10,861,049	9,817,046	9,115,984	7,225,925
Average Cost per Gallon.....	\$.1063	\$.1059	\$.1062	\$.1076	\$.1000
Cost per 1,000 Gross Ton Miles:					
Steam Fuel;					
Road Freight.....	\$.6080	\$.5961	\$.4742	\$.4577	\$.4978
Road Passenger.....	2.0996	1.4832	1.3891	1.4441	1.1187
Diesel Fuel;					
Road Freight.....	\$.1735	\$.1713	\$.1721	\$.1761	\$.1624
Road Passenger.....	.4464	.4600	.4705	.4797	.4229
Cost per Switch Engine Hour:					
Steam Fuel.....	\$3.0288	\$2.8722	\$2.8358	\$2.8205	\$3.0741
Diesel Fuel.....	.9882	.8921	.8401	.8252	.7533
FREIGHT TRAFFIC:					
Freight Revenue.....	\$ 35,996,252	\$ 36,222,328	\$ 38,547,804	\$ 37,995,600	\$ 34,742,710
Number of Carloads.....	255,825	277,320	295,131	311,816	295,926
Tons—Revenue Freight.....	9,302,170	10,317,906	11,460,095	12,118,285	11,092,335
Ton Miles—Revenue Freight.....	2,549,629,233	2,507,910,065	2,795,833,865	2,910,225,194	2,686,599,259
Train Load:					
Gross Tons per Train—Steam.....	1,386	1,127	1,496	1,549	1,523
Diesel.....	2,033	2,083	2,224	2,290	2,386
Average.....	1,939	1,917	1,998	2,002	1,991
Net Tons per Carload.....	31.2	30.8	32.4	32.8	30.9
Train Fuel Consumption per 1,000 Gross Ton Miles:					
Pounds of Coal—Steam.....	153	166	127	124	129
Gallons of Fuel Oil—Diesel.....	1.6	1.6	1.6	1.6	1.6
Train Speed:					
Steam.....	15.9	15.6	16.2	16.1	15.6
Diesel.....	21.1	20.7	20.2	19.8	20.6
Average.....	20.2	19.6	18.8	18.2	18.0
Gross Ton Miles per Train Hour:					
Steam.....	22,100	17,600	24,189	24,967	23,782
Diesel.....	42,949	43,133	45,033	45,402	49,119
Average.....	39,124	37,571	37,500	36,424	35,758

OPERATING STATISTICS—Continued

	1954	1953	1952	1951	1950
Averages per Mile of Road:					
Freight Revenue.....	\$ 11,171	\$ 11,241	\$ 11,959	\$ 11,786	\$ 10,777
Train Miles.....	889	900	941	970	937
Freight Train Car Miles.....	39,326	39,593	42,140	43,158	42,677
Ton Miles—Revenue Freight.....	791,221	778,313	867,463	902,723	833,351
Averages per Train Mile:					
Freight Revenue.....	\$ 12.56	\$ 12.49	\$ 12.71	\$ 12.15	\$ 11.51
Freight Cars—Loaded.....	28.5	28.1	28.4	28.4	28.8
Freight Cars—Empty.....	15.0	15.1	15.5	15.3	16.0
Tons of Revenue Freight.....	889.5	865.0	921.7	930.7	889.8
Gross Tons.....	1,939.2	1,917.1	1,997.9	2,001.8	1,990.7
Averages per Loaded Car Mile:					
Freight Revenue (Cents).....	44.1	44.5	44.7	42.8	40.0
Tons of Revenue Freight.....	31.2	30.8	32.4	32.8	30.9
Miscellaneous Averages:					
Revenue per Ton of Freight.....	\$ 3.87	\$ 3.51	\$ 3.36	\$ 3.14	\$ 3.13
Revenue per Ton Mile of Freight (Cents).....	1.41	1.44	1.38	1.31	1.29
Miles Hauled per Ton—Revenue Freight.....	274.1	243.1	244.0	240.2	242.2
PASSENGER TRAFFIC:					
Passenger Revenue.....	\$ 978,930	\$ 1,060,360	\$ 1,105,735	\$ 1,015,338	\$ 1,063,331
Total Passenger Train Revenue.....	\$ 2,568,725	\$ 2,721,313	\$ 2,876,795	\$ 2,720,439	\$ 2,885,837
Revenue Passengers Carried.....	178,342	209,042	234,649	237,380	264,765
Revenue Passenger Miles.....	51,783,492	56,213,938	58,505,508	53,636,774	56,319,646
Averages per Mile of Road:					
Passenger Revenue.....	\$ 304	\$ 329	\$ 343	\$ 315	\$ 330
Total Passenger Train Revenue.....	\$ 797	\$ 845	\$ 892	\$ 844	\$ 895
Train Miles.....	474	560	571	567	552
Passenger Train Car Miles.....	3,092	3,357	3,383	3,320	3,299
Revenue Passenger Miles.....	16,070	17,446	18,150	16,638	17,470
Averages Per Train Mile:					
Passenger Revenue.....	\$.64	\$.59	\$.60	\$.56	\$.60
Total Passenger Train Revenue.....	\$ 1.68	\$ 1.51	\$ 1.56	\$ 1.49	\$ 1.62
Passenger Cars.....	6.5	6.0	5.9	5.9	6.0
Passengers.....	33.9	31.1	31.8	29.3	31.6
Averages per Car Mile:					
Passenger Revenue (cents).....	22.7	23.0	23.3	22.4	23.1
Total Passenger Train Revenue (cents).....	25.8	25.2	26.4	25.4	27.1
Passengers.....	12.0	12.2	12.3	11.9	12.2
Miscellaneous Averages:					
Passenger Revenue per Passenger.....	\$ 5.49	\$ 5.07	\$ 4.71	\$ 4.28	\$ 4.02
Passenger Revenue per Passenger Mile (cents).....	1.89	1.89	1.89	1.89	1.89
Miles Carried—Revenue Passengers.....	290.4	268.9	249.3	226.0	212.7

OPERATING STATISTICS—Concluded

	1954	1953	1952	1951	1950
TOTAL TRAFFIC:					
Operating Revenue.....	\$39,189,611	\$39,706,940	\$42,170,225	\$41,485,775	\$38,369,978
Operating Expenses.....	\$33,455,323	\$35,412,225	\$36,398,428	\$35,049,891	\$31,286,206
Net Operating Revenue.....	\$ 5,734,288	\$ 4,294,715	\$ 5,771,797	\$ 6,435,884	\$ 7,083,772
Averages per Mile of Road:					
Train Miles.....	1,364	1,460	1,512	1,537	1,489
Car Miles.....	42,418	42,951	45,523	46,478	45,977
Operating Revenue.....	\$ 12,162	\$12,323	\$13,082	\$12,868	\$11,902
Operating Expenses.....	\$ 10,382	\$10,990	\$11,292	\$10,872	\$ 9,705
Net Operating Revenue.....	\$ 1,780	\$ 1,333	\$ 1,791	\$ 1,996	\$ 2,197
Averages per Train Mile:					
Operating Revenue.....	\$ 8.92	\$ 8.44	\$ 8.65	\$ 8.37	\$ 8.00
Operating Expenses.....	\$ 7.62	\$ 7.53	\$ 7.47	\$ 7.07	\$ 6.52
Net Operating Revenue.....	\$ 1.30	\$.91	\$ 1.18	\$ 1.30	\$ 1.48

CLASSIFICATION OF TONS OF REVENUE FREIGHT

Grain.....	1,485,781	1,172,709	1,642,704	1,775,072	1,395,688
Other Products of Agriculture.....	405,734	406,058	379,702	407,872	396,516
Animals and Animal Products.....	85,236	84,457	98,741	113,927	132,895
Products of Mines.....	2,938,863	4,154,124	4,520,999	4,848,200	4,451,455
Products of Forests.....	1,857,502	1,805,208	2,101,134	2,171,567	1,866,084
Manufactures and Miscellaneous.....	2,467,949	2,627,563	2,644,891	2,724,577	2,767,230
Total Carload Freight.....	9,241,065	10,250,119	11,388,171	12,041,215	11,009,868
Less than Carload Freight.....	61,105	67,787	71,924	77,070	82,467
TOTAL TONS—REVENUE FREIGHT.....	9,302,170	10,317,906	11,460,095	12,118,285	11,092,335

COMPARISON OF FREIGHT TONNAGE AND REVENUES

	TONNAGE PER CENT					REVENUE PER CENT				
	1954	1953	1952	1951	1950	1954	1953	1952	1951	1950
Grain.....	15.97	11.37	14.33	14.65	12.58	29.29	22.95	28.64	30.78	26.32
Other Products of Agriculture.....	4.36	3.93	3.32	3.36	3.58	4.66	4.90	4.25	4.31	4.50
Animals and Animal Products.....	.92	.82	.86	.94	1.20	1.83	1.84	1.66	2.14	2.90
Products of Mines.....	31.59	40.26	39.45	40.01	40.13	11.55	15.37	16.00	15.70	15.69
Products of Forests.....	19.97	17.50	18.33	17.92	16.82	16.17	14.51	13.13	12.57	12.50
Manufactures and Miscellaneous.....	26.53	25.46	23.08	22.48	24.95	33.22	36.71	32.79	31.12	34.43
Total Carload Freight.....	99.34	99.34	99.37	99.36	99.26	96.72	96.28	96.47	96.62	96.34
Less than Carload Freight.....	.66	.66	.63	.64	.74	3.28	3.72	3.53	3.38	3.66

GRAIN MOVEMENT

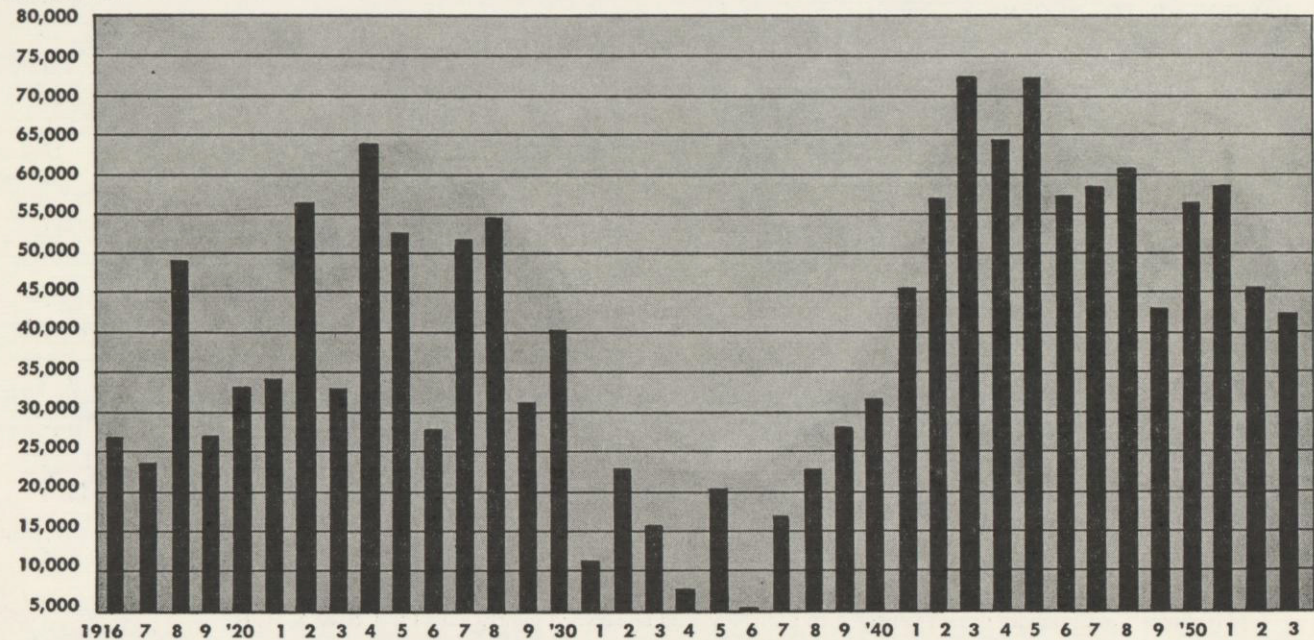
Annual movement of **grain in bushels**, separated between that originated on line and that received from connections in the grain territory, and other movements consisting chiefly of transfers of grain between Minneapolis and the Head-of-the-Lakes.

(000 omitted)

	Originated on Line			Received from Connections		Other Movements	
	Jan. 1 to July 31	Aug. 1 to Dec. 31	Total		Total		Total
1935.....	3,105	14,046	17,151	927	18,078	4,201	22,279
1936.....	6,379	3,517	9,896	1,112	11,008	3,871	14,879
1937.....	2,147	12,427	14,574	587	15,161	3,706	18,867
1938.....	4,859	15,058	19,917	916	20,833	4,719	25,552
1939.....	7,941	17,625	25,566	1,594	27,160	3,104	30,264
1940.....	10,886	18,766	29,652	7,831	37,483	2,447	39,930
1941.....	13,549	26,165	39,714	3,433	43,147	5,127	48,274
1942.....	16,941	29,854	46,795	1,642	48,437	4,073	52,510
1943.....	26,953	38,110	65,063	14,228	79,291	10,136	89,427
1944.....	34,453	34,399	68,852	34,578	103,430	6,743	110,173
1945.....	30,437	45,748	76,185	3,692	79,877	8,832	88,709
1946.....	26,769	32,417	59,186	1,477	60,663	6,883	67,546
1947.....	24,065	39,540	63,605	1,752	65,357	6,191	71,548
1948.....	19,282	34,689	53,971	1,597	55,568	5,245	60,813
1949.....	26,786	27,299	54,085	1,202	55,287	5,712	60,999
1950.....	16,218	31,193	47,411	1,215	48,626	4,350	52,976
1951.....	25,691	34,344	60,035	1,370	61,405	5,892	67,297
1952.....	24,799	27,114	51,913	4,132	56,045	6,021	62,066
1953.....	19,223	22,700	41,923	471	42,394	6,668	49,062
1954.....	19,810	29,540	49,350	1,388	50,738	6,785	57,523

GRAIN CROP ORIGINATING ON AND MOVING OVER SOO LINE
BY YEARS IN WHICH THE CROP WAS HARVESTED

BUSHEL
(,000 OMITTED)



EQUIPMENT OWNED

	Jan. 1, 1954	Additions	Deductions	Dec. 31, 1954
STEAM LOCOMOTIVES				
Road.....	74	0	31	43
Switch.....	10	0	6	4
Total.....	84	0	37	47
DIESEL-ELECTRIC LOCOMOTIVES				
Road Freight- 3000 H.P.-Double Unit	15	0	0	15
Road Passenger-3000 H.P.-Double Unit	4	0	0	4
Road Passenger-1500 H.P.-Single Unit	2	0	0	2
Road-Switch-Freight-1750 H.P.-Single Unit	0	7	0	7
Road-Switch-Freight-1500 H.P.-Single Unit	19	0	0	19
Road-Switch-Freight-1600 H.P.-Single Unit	5	0	0	5
Road-Switch-Freight-1000 H.P.-Single Unit	0	4	0	4
Road-Switch-Pass. or Frt.-1750 H.P.-Single Unit	0	3	0	3
Switch-various H.P.-Single Unit	9	8	0	17
Total.....	54	22	0	76
FREIGHT-TRAIN CARS				
Automobile Cars.....	30	0	0	30
Ballast Cars.....	148	*1	0	149
Box Cars.....	4504	**361	190	4675
Box Cars—Insulated.....	10	0	0	10
Caboose Cars.....	122	0	0	122
Coke Cars.....	1	0	0	1
Flat Cars.....	301	0	8	293
Gondola Cars.....	686	**1	0	687
Covered Hopper Cars.....	71	0	0	71
Hopper Cars.....	296	0	0	296
Ore Cars.....	1307	0	0	1307
Stock Cars.....	391	0	0	391
Tank Cars.....	3	0	0	†3
Total.....	7870	363	198	8035
PASSENGER-TRAIN CARS				
Baggage Cars.....	31	0	0	31
Dining Cars.....	4	0	0	4
Mail and Express Cars.....	18	0	0	18
Mail, Express and Coach.....	8	0	0	8
Passenger Coaches.....	27	0	0	27
Cafe-Lounge.....	4	0	0	4
Coach-Buffer.....	1	0	0	1
Passenger and Baggage Cars.....	13	0	0	13
Sleeping Cars.....	9	0	0	9
Tourist Cars.....	6	0	0	6
Sleeping-Restaurant and Lounge.....	2	0	0	2
Drovers Cars.....	5	0	0	5
Total.....	128	0	0	128
WORK EQUIPMENT	290	15	13	292
MISCELLANEOUS EQUIPMENT	83	3	6	††80

*Converted from Work Equipment.

**One car reinstated.

†Tanks owned by Gedney Pickle Co. mounted on flat cars owned by this company.

††Includes 5 automobiles owned jointly with N. P. Ry. and one owned jointly with D. S. S. & A. R. R.

INVESTMENT IN ROAD AND EQUIPMENT

	Road and General Expenditures	Equipment	Total
Additions and Betterments.....	\$3,505,946	\$5,351,108	\$8,857,054
Less Retirements.....	481,921	1,352,995	1,834,916
Net Increase.....	<u>\$3,024,025</u>	<u>\$3,998,113</u>	<u>\$7,022,138</u>

Changes by Primary Accounts

Account	Expenditures	Property Retired	Investment December 31, 1954
Road:			
Engineering.....	\$ 16,388	\$ 11,587	\$ 2,926,629
Land for Transportation Purposes.....	2,502	2,586	6,322,841
Other Right-of-Way Expenditures.....	345	987	287,135
Grading.....	2,178,727	108,575	28,756,477
Tunnels and Subways.....	.....	.....	585,583
Bridges, Trestles and Culverts.....	256,559	55,374	7,198,721
Ties.....	154,869	31,121	7,270,994
Rails.....	134,853	52,283	15,566,533
Other Track Material.....	235,695	28,589	8,534,783
Ballast.....	26,142	5,745	4,833,561
Track Laying and Surfacing.....	126,182	28,730	8,326,799
Fences, Snowsheds and Signs.....	8,154	7,800	1,452,397
Station and Office Buildings.....	91,424	35,218	4,047,550
Roadway Buildings.....	14,399	2,682	194,577
Water Stations.....	235	31,025	820,608
Fuel Stations.....	236	3,718	382,841
Shops and Enginehouses.....	29,677	17,497	3,583,801
Wharves and Docks.....	.....	.....	171,366
Communications Systems.....	23,720	2,568	1,263,625
Signals and Interlockers.....	73,865	15,091	800,567
Power Plants.....	255	.....	76,390
Power Transmission System.....	3,480	.....	65,446
Miscellaneous Structures.....	839	.....	3,435
Roadway Machines.....	44,204	7,334	712,539
Roadway Small Tools.....	568	.....	43,237
Public Improvements—Construction.....	106,206	4,046	1,594,303
Other Expenditures—Road.....	.....	.....	864
Shop Machinery.....	27,589	2,807	1,406,570
Power Plant Machinery.....	8,187	.....	244,993
Total.....	<u>\$3,505,946</u>	<u>\$ 455,363</u>	<u>\$107,475,165</u>
Equipment:			
Steam Locomotives.....	.....	\$1,006,614	\$ 1,665,036
Diesel-electric Locomotives.....	\$3,031,288	.....	13,577,992
Freight-Train Cars.....	2,106,795	309,165	23,776,252
Passenger-Train Cars.....	2,970	5,195	2,506,784
Work Equipment.....	23,758	22,875	1,079,306
Miscellaneous Equipment.....	2,127	9,146	163,414
Unapplied Material and Supplies—Equipment.....	190,110	.....	285,565
Total.....	<u>\$5,351,108</u>	<u>\$1,352,995</u>	<u>\$ 43,054,349</u>
General Expenditures:			
Organization Expense.....	.....	.....	\$ 168,733
General Officers and Clerks.....	.....	\$ 1,956	476,399
Law.....	.....	1,193	290,500
Stationery and Printing.....	.....	203	34,755
Taxes.....	.....	668	162,658
Interest during Construction.....	.....	22,108	5,357,314
Other Expenditures—General.....	.....	430	104,472
Total.....	.....	<u>\$ 26,558</u>	<u>\$ 6,594,831</u>
Grand Total.....	<u>\$8,857,054</u>	<u>\$1,834,916</u>	<u>\$157,124,345</u>

Figures in Bold Face Denote Contra.

MILES OF ROAD OPERATED

SOLELY OWNED

Minnesota Division

	Miles
Portal, N. D.....to Minneapolis, Minn., W. Switch, Humboldt Yard	543.61
Whitetail, Mont.....to Flaxton, N. D.....	136.65
New Town, N. D.....to Prairie Junction, N. D.....	32.27
Plaza, N. D.....to Max, N. D.....	35.65
Max, N. D.....to Drake, N. D.....	48.13
Max, N. D.....to Hankinson, N. D.....	306.02
Pollock, S. D.....to Wishek, N. D.....	70.73
Grenville, S. D.....to Fairmount, N. D.....	83.61
Total Minnesota Division.....	1,256.67

Winnipeg Division

Noyes, Minn.....to Glenwood, Minn.....	265.05
Kenmare, N. D.....to Dakota Junction, Minn.....	296.35
Armourdale, N. D.....to Egeland, N. D.....	21.86
Drake, N. D.....to Fordville, N. D.....	130.41
Total Winnipeg Division.....	713.67

Minneapolis-Duluth Division

Minneapolis, Minn., 5th Avenue North..to W. Switch, Humboldt Yard	4.74
Minneapolis, Minn., Camden Place...to Weyerhaeuser, Wis.....	112.87
Minneapolis, Minn., Columbia Heights.to Hilo Junction.....	1.09
St. Paul, Minn.....to Cardigan Junction, Minn.....	8.14
Dresser Jct., Wis.....to Superior, Wis., 28th Street	103.34
Superior, Wis., 12th Street Junction...to Interstate Bridge	1.89
Duluth, Minn., Interstate Bridge.....to 10th Ave., Freight House	1.39
Summit, Wis.....to St. Croix Falls, Wis.....	2.04
Ridgeland, Wis.....to Barron, Wis.....	18.52
Rice Lake, Wis.....to Cameron, Wis.....	6.84
Superior, Wis.....to Conn. with N. P. Ry.....	.68
Plummer, Minn.....to Moose Lake, Minn.....	192.29
Lawler, Minn.....to East Lake, Minn.....	6.51
Ironton, Minn.....to Crosby, Minn.....	1.00
Boylston Jct., Wis.....to Brooten, Minn.....	175.88
McGregor, Minn.....to Conn. with N. P. Ry.....	.06
Total Minneapolis-Duluth Division.....	637.28

Gladstone Division

Weyerhaeuser, Wis.....to Sault Ste. Marie, Mich.....	378.71
Wisconsin Jct., Wis.....to Winnebago Junction, Wis.....	118.76
Appleton, Wis., North Wye.....to End of Track.....	1.00
Rapid River, Mich.....to Eben Junction, Mich.....	30.54
Total Gladstone Division.....	529.01
Total Solely Owned.....	3,136.63

JOINTLY OWNED

Sault Ste. Marie, Mich.—Joint with D. S. S. & A. R. R.	1.72
Minneapolis, Minn.—Joint with N. P. Ry.....	.88
Bemidji, Minn.—Joint with N. P. Ry.....	.19
Deerwood, Minn., to Cuyuná Range Mines—Joint with N. P. Ry.....	20.37
Total Jointly Owned.....	23.16
Total Mileage Owned and Operated.....	3,159.79

MILES OF ROAD OPERATED—Concluded

Total Mileage Owned and Operated (brought forward) 3,159.79

TRACKAGE RIGHTS

Over Wisconsin Central Railroad

Superior, Wis., 28th Street.....to Tower Avenue.....	2.41
Duluth, Minn., Berwind Jct.....to 6th Avenue.....	4.71
Winnebago Jct., Wis.....to Menasha, Wis.....	4.25
Ladysmith, Wis.....	1.75
Total Over W. C. R. R.	13.12

Joint With Wisconsin Central Railroad

St. Paul, Minn.....N. P. Ry., Soo Line Jct. to W. C. Jct. Trout Brook Jct. to 3rd St..	2.14
St. P. U. D. Co., 3rd St. to Sibley St.....	.85
C. St. P. M. & O. Ry. and C. M. St. P. & P. R. R., Sibley St. to Chestnut St.....	.79
C. M. St. P. & P. R. R., Chestnut St. to Minneapolis, Minn.....	10.54
Minneapolis, Minn.....M. & St. L. Ry., 20th Ave. South to 4th Ave. North.....	.81
N. P. Ry., 4th Ave. N. to 14th Ave. N.....	.59
Superior, Wis.....D. S. Br. Co., Superior, Wis., to Duluth, Minn., Interstate Bridge	.54
L. S. T. & T. Ry., Tower Ave.....	.43
N. P. Ry., Grassy Point Line, Superior, Wis., to Duluth, Minn...	2.05
Duluth, Minn.....N. P. Ry. & C. St. P. M. & O. Ry., 8th to 15th Ave. West .....	.37
Total Joint with W. C. R. R.	19.11

Other

St. Paul, Minn.—W. C. Jct. to Trout Brook Jct.—N. P. Ry.....	.29
Sault Ste. Marie, Mich.—Ste. Marie Bridge Co.....	.52
Deerwood—McGregor, Minn.—N. P. Ry.....	30.84
Superior—Ore Dock Line & Hill Ave. Yard—N. P. Ry.....	.47
Total Other	32.12
Total Soo Line Mileage Operated	3,224.14

MILEAGE OPERATED AS AGENT FOR WISCONSIN CENTRAL R. R.	1,041.97
Less mileage common to both Soo Line and W. C. R. R.	77.82
Total System Mileage Operated, December 31, 1954	4,188.29

MILES OF ROAD OPERATED IN EACH STATE

	Soo Line	W. C. R. R.	Less Common Soo Line- W. C. R. R.	System
Montana	56.89	.....	.....	56.89
North Dakota	1,311.64	.....	.....	1,311.64
South Dakota	108.49	.....	.....	108.49
Minnesota	1,017.01	86.48	60.95	1,042.54
Wisconsin	506.58	863.81	16.87	1,353.52
Michigan	223.53	20.07	.....	243.60
Illinois .....	.....	71.61	.....	71.61
Total	3,224.14	1,041.97	77.82	4,188.29

SOO LINE TRAFFIC REPRESENTATIVES

You, as a stockholder, can play an important part in the movement of traffic, both freight and passenger, which is so vital to your company, by informing Soo Line traffic representatives of prospective movements; also by giving them information regarding relocation and expansion of industries that might be interested in locating in the territory served by your company. Sales and service agencies are maintained in the principal cities of both the United States and Canada, as listed below, and they would appreciate any such information that you might be able to give them.

Location	Name	Address	Telephone No.
ATLANTA 3	R. G. Williamson, Dist. Pass. Repr.	Cit. & Sou. Nat. Bk. Bldg.	Lamar 3866
BIRMINGHAM 3	H. K. Willson, General Agent	Brown Marx Bldg.	Tel. 53-2832
BISMARCK	A. P. Simon, General Agent	Soo Line Depot	Capital 3-5422
BOSTON 10	R. E. Howard, General Agent	Chamber of Commerce Bldg.	Hancock 6-5714
BOSTON 16	D. W. Allan, Gen. Agt., Pass. Dept.	Little Bldg.	Hancock 6-4323
BUFFALO 3	C. A. Johnson, General Agent	Ellicott Square Bldg.	Madison 8830
BUFFALO 2	J. J. Trainor, Gen. Agt., Pass. Dept.	Liberty Bank Bldg.	Cleveland 0102
CHICAGO 4	A. T. Peterson, Frt. Traf. Mgr.	Board of Trade Bldg.	Harrison 7-0565
CHICAGO 3	T. J. Nolan, City Pass. Agt.	39 S. La Salle St.	Andover 3-5940
CINCINNATI 2	I. M. Kiley, District Frt. Agent	Dixie Terminal Bldg.	Cherry 1203
CINCINNATI 2	L. P. Dooley, Gen. Agt., Pass. Dept.	Dixie Terminal Bldg.	Main 1228
CLEVELAND 14	D. T. Walen, General Agent	Union Comm. Bldg.	Main 1-3353
CLEVELAND 14	E. A. Kenney, Gen. Agt., Pass. Dept.	Union Comm. Bldg.	Tower 1-1971
DALLAS 1	A. E. Gorman, District Frt. Agent	Kirby Bldg.	Sterling 5161, 5162
DALLAS 1	R. C. Snider, Trav. Pass. Agt.	Kirby Bldg.	Sterling 5161, 5162
DETROIT 26	W. H. Hawes, General Agent	National Bank Bldg.	Woodward 2-4015
DETROIT 26	F. F. Hardy, Gen. Agt., Pass. Dept.	Book Bldg.	Woodward 3-7820
DULUTH 2	E. J. Olsen, Asst. Genl. Frt. Agent	Soo Line Tml. Bldg.	Randolph 2-5801
DULUTH 2	A. E. Sword, Dist. Pass. Agt.	Soo Line Tml. Bldg.	Randolph 2-5801
EAU CLAIRE	R. F. Donnett, General Agent	Soo Line Depot	Tel. 2-1552
EDMONTON	John Holloway, General Agent	C. P. R. Office Bldg.	Tel. 25864
INDIANAPOLIS 4	L. F. McMahon, Dist. Freight Agent	Merchants Bank Bldg.	Melrose 6-8003
KANSAS CITY 6	L. S. Roan, Dist. Freight Agent	Waldheim Bldg.	Victor 2235
KANSAS CITY 6	G. R. Watson, Dist. Pass. Repr.	Waldheim Bldg.	Victor 5531
LOS ANGELES 14	A. D. Macdonald, Gen. Agt., Pass. Dept.	530 W. 6th St.	Michigan 8337
MEMPHIS 3	M. J. Farrell, Dist. Freight Agent	Exchange Bldg.	Tel. 5-2233
MENASHA	C. O. Norwick, Asst. Genl. Frt. Agent	Soo Line Depot	Tel. 2-2891
MILWAUKEE 3	F. R. Crow, Asst. Genl. Frt. Agent	217 North Plankinton Ave.	Broadway 1-2643
MILWAUKEE 3	A. J. Graser, Pass. Repr.	217 North Plankinton Ave.	Broadway 1-2643
MINNEAPOLIS 2	G. B. Shimek, Asst. Genl. Frt. Agent	Soo Line Bldg.	Main 1261
MINNEAPOLIS 2	O. W. Hartwell, City Pass. Agt.	Soo Line Bldg.	Main 1261
MINOT	H. W. Monson, General Agent	Soo Line Depot	Tel. 43-136
NEW ORLEANS 12	A. A. Morris, Dist. Frt. Repr.	Hibernia Bank Bldg.	Canal 7097
NEW YORK 7	A. O. Plunkett, East. Genl. Frt. Agent	Woolworth Bldg.	Cortlandt 7-0628
NEW YORK 17	J. E. Roach, Gen. Agt., Pass. Dept.	581 Fifth Ave.	Plaza 9-4433
OMAHA 2	F. H. Pitzl, Dist. Frt. Agent	W. O. W. Bldg.	Atlantic 9752
PHILADELPHIA 9	G. T. Young, Dist. Pass. Repr.	Fid.-Phila. Trust Bldg.	Pennypacker 5-0612
PITTSBURGH 19	J. T. Hartnett, General Agent	Grant Building	Atlantic 1-3860
PITTSBURGH 19	M. T. Jackson, Dist. Pass. Repr.	648 William Penn Place	Atlantic 1-2306
PORTLAND 5	J. J. Pearce, General Agent	Pittock Block	Broadway 3716
PORTLAND 5	E. J. Dahlberg, Dist. Pass. Repr.	Amer. Bank Bldg.	Broadway 2044
ST. LOUIS 1	J. C. Waddell, Dist. Frt. Agent	Railway Exchange Bldg.	Main 1-4768
ST. LOUIS 2	J. J. Brown, Gen. Agt., Pass. Dept.	Boatmen's Bank Bldg.	Garfield 1-2135
ST. PAUL 1	E. N. Phelps, Asst. Genl. Frt. Agt.	Minnesota Bldg.	Capital 2-1891
ST. PAUL 1	R. L. Battleson, City Pass. Agt.	352 Robert St.	Capital 2-1891
SAN FRANCISCO 5	E. M. Ostby, General Agent	Monadnock Bldg.	Yukon 6-2466
SAN FRANCISCO 8	E. W. Travis, Gen. Agt., Pass. Dept.	185 Post St.	Douglas 2-0134
SAULT STE. MARIE	Burton Hermanson, Dist. Frt. Agt.	Soo Line Depot	Me. 2-2243 and 2-2244
SEATTLE 1	B. R. Olson, General Agent	Vance Bldg.	Seneca 0345
SEATTLE 1	P. H. S. Godden, Gen. Agt., Pass. Dept.	Henry Bldg.	Main 6275
SPOKANE 1	J. B. Benson, General Agent	Old Natl. Bank Bldg.	Main 1627
SUPERIOR	H. H. Wedde, Depot Ticket Agt.	Soo Line Depot	Tel. 3213
THIEF RIVER FALLS	O. D. Gifford, General Agent	Soo Line Depot	Tel. 127
TORONTO	W. S. Glover, Commercial Agent	Can. Pacific Bldg.	Empire 3-0584
VANCOUVER	Ernest Jacquest, General Agent	Can. Pacific Sta.	Pacific 2212
WASHINGTON	J. G. Quick, General Agent	Box 244, Arlington 10, Va.	Metropolitan 8-1881
WASHINGTON 6	J. A. C. Blair, Gen. Agt., Pass. Dept.	1504 K St. N. W.	National 8-4235
WINNIPEG	E. E. Widmer, General Agent	C. P. R. Office Bldg.	Tel. 926-197 and 926-198
WINNIPEG	M. R. Gray, City Pass. Agt.	C. P. R. Office Bldg.	Tel. 926-197
WINSTON-SALEM 3	J. G. Quick, General Agent	Reynolds Bldg.	Tel. 2-0821

